

NAFMII TITLE TRANSFER PERFORMANCE ASSURANCE
DOCUMENT
(2009 VERSION)

(English Translation)

Statement on English Translation

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At the instruction of NAFMII, Linklaters , a member of the Drafting Panel for the 2009 NAFMII Master Agreement documentation has prepared the draft English translation and has worked with the representatives from other members of the Drafting Panel, including Allen & Overy LLP, China Foreign Exchange Trade System, Credit Suisse, Deutsche Bank (China) Co. Ltd., Global Law Office, Industrial and Commercial Bank of China, JunZeJun Law Offices, Mallesons Stephen Jaques, and Zhong Yin Law Firm to finalise this English translation.

Statement

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NAFMII TITLE TRANSFER PERFORMANCE ASSURANCE DOCUMENT

Standard Terms

This title transfer performance assurance document (this “**Document**”) is a Performance Assurance Document entered into between the parties for the purpose of performing their respective obligations under the *NAFMII Master Agreement (2009 Version)* (the “**Master Agreement**”). This Document consists of the Standard Terms and the Supplemental Terms. Once executed, this Document forms an integral part of this Agreement as a supplement to the Master Agreement and the Supplement (if any).

The performance assurance arrangement as agreed in this Document constitutes a Transaction under this Agreement, and this Document constitutes an Effective Transaction Agreement in respect of such Transaction.

Section 1 Interpretations and Hierarchy

Any defined term provided in this Document shall have the meaning specified in the Master Agreement for the same defined term and any defined term specifically provided in this Document shall bear the meaning specified in Section 11 of the Standard Terms.

The parties may make any amendments and supplements to the contents of this Document, such as the definitions, in the Supplemental Terms, but they shall not breach any provision of Section 23 of the Master Agreement. Subject to the aforesaid, in the event that there is any inconsistency between the Standard Terms and the Supplemental Terms, the Supplemental Terms shall prevail.

Section 2 Delivery Amount and Return Amount

(I) Delivery Amount

If, on a Valuation Date, the Delivery Amount is equal to or exceeds the Minimum Transfer Amount applicable to the Transferor, the Transferee may give a notice to the Transferor demanding the Transferor to transfer, in accordance with the Delivery Amount, the Eligible Performance Assuring Asset to the Transferee. The Transferor shall ensure that the Value of the Eligible Performance Assuring Asset, as of the date on which the transfer is effected, is not less than the applicable Delivery Amount (which shall be rounded up or down pursuant to the Supplemental Terms).

Unless otherwise agreed by the parties, in respect of any Valuation Date, the Delivery Amount applicable to the Transferor shall be calculated in accordance with the following formula:

$$\text{Delivery Amount} = \text{Adjusted Risk Exposure of the Transferee} - \text{Value of the Transferor's Transferred Performance Assuring Asset as of the Valuation Date}$$

(II) Return Amount

If, on a Valuation Date, the Return Amount is equal to or exceeds the Minimum Transfer Amount applicable to the Transferee, the Transferor may give a notice to the Transferee demanding the Transferee to transfer, in accordance with the Return Amount, the Eligible Performance Assuring Asset Equivalent to the Transferor. The Transferee shall ensure that the Value of the Eligible Performance Assuring Asset Equivalent, as of the date on which the transfer is effected, is close to the applicable Return Amount (which shall be rounded up or down pursuant to the Supplemental Terms), but the Value of the Eligible Performance Assuring Asset Equivalent for which the transfer is effected, as of the date on which the transfer is effected, need not be higher than the applicable Return Amount.

Unless otherwise agreed by the parties, in respect of any Valuation Date, the Return Amount applicable to the Transferee shall be calculated in accordance with the following formula:

$$\text{Return Amount} = \frac{\text{Value of the Transferor's Transferred Performance Assuring Asset as of the Valuation Date}}{\text{Transferee's Adjusted Risk Exposure}}$$

(III) Relevant interpretations

For the calculation of the above-mentioned Delivery Amount or Return Amount:

$$\text{Adjusted Risk Exposure of the Transferee} = \frac{\text{Risk Exposure of the Transferee as of the aforesaid Valuation Date}}{\text{Independent Amount applicable to the Transferor}} - \frac{\text{Independent Amount applicable to the Transferee}}{\text{Threshold Amount applicable to the Transferor}}$$

If the Adjusted Risk Exposure of the Transferee, as calculated above, is a negative number, it shall be deemed to be zero.

When calculating the Value of the Transferred Performance Assuring Asset as of a Valuation Date, any previous Delivery Amount for which the transfer process has been initiated but the relevant transfer has not been formally completed on or prior to that Valuation Date (or where there is a dispute as to the Delivery Amount, any portion relating to that Delivery Amount which is undisputed for which the transfer process has been initiated but the relevant transfer has not been formally completed) shall be included in the calculation of the Value of the Transferred Performance Assuring Asset. On the other hand, any previous Return Amount for which the transfer process has been initiated but the relevant transfer has not been formally completed on or prior to that Valuation Date (or where there is a dispute as to the Return Amount, any portion of the Return Amount which is undisputed for which the transfer process has been initiated but the relevant transfer has not been formally completed) shall be excluded from the calculation of the Value of the Transferred Performance Assuring Asset.

Section 3 Calculation and Valuation

The Valuation Party shall calculate the Value and Risk Exposure based on the information that it obtains as of the relevant Valuation Time. The Valuation Party shall notify both parties of the calculation results no later than 17:00 (Beijing Time) on the applicable Valuation Date (or the sixth Business Day from the effectiveness of the objection notice as under Section 6 of the Standard Terms).

Section 4 Transfer

(I) Method of transfer of the Eligible Performance Assuring Asset or Eligible Performance Assuring Asset Equivalent

After a notice delivered by one party to the other party pursuant to Section 2 of the Standard Terms becomes effective, the other party shall effect the relevant transfer pursuant to the followings:

1. Method of transfer of the Eligible Performance Assuring Asset

Unless otherwise agreed by the parties, in relation to the Eligible Performance Assuring Asset in the form of cash, the Transferor shall remit the Eligible Performance Assuring Asset in such form, by way of account transfer no later than 17:00 (Beijing Time) on the relevant Completion Date, into the bank account designated by the Transferee; and in relation to the Eligible Performance Assuring Asset in the form of book-entry debt securities, the Transferor and the Transferee shall promptly carry out the title transfer formalities for such debt securities in accordance with the rules of the relevant depository and clearing institution.

If the Transferor is required to transfer the relevant Eligible Performance Assuring Asset to the Transferee in accordance with the terms set out in this Document, the Transferor shall ensure that such Eligible Performance Assuring Asset is transferred to the Transferee no later than 17:00 (Beijing Time) on the relevant Completion Date.

2. Method of transfer of the Eligible Performance Assuring Asset Equivalent

Unless otherwise agreed by the parties, in relation to the Transferred Performance Assuring Asset in the form of cash, the Transferor shall remit the Eligible Performance Assuring Asset Equivalent relating to the Transferred Performance Assuring Asset in such form, by way of account transfer no later than 17:00 (Beijing Time) on the relevant Completion Date, into the bank account designated by the Transferor; and in relation to Transferred Performance Assuring Asset in the form of book-entry debt securities, the Transferor and the Transferee shall promptly complete the title transfer formalities for such debt securities in accordance with the rules of the relevant depository and clearing institution.

If the Transferee is required to transfer the relevant Eligible Performance Assuring Asset Equivalent to the Transferor under this Document, the Transferee shall ensure that such Eligible Performance Assuring Asset Equivalent relating to the Transferred Performance Assuring Asset is transferred to the Transferor no later than 17:00 (Beijing Time) on the relevant Completion Date.

(II) No security interest upon transfer

Upon transfer of the Eligible Performance Assuring Asset, Eligible Performance Assuring Asset Equivalent, Dividend Equivalent and/or Interest Amount by a party, no security interest whatsoever shall be deemed to be created over the transferred Eligible Performance Assuring Asset, Eligible Performance Assuring Asset Equivalent, Dividend Equivalent and/or Interest Amount. Following the Eligible Performance Assuring Asset, Eligible Performance Assuring Asset Equivalent, Dividend Equivalent and/or Interest Amount being transferred to a party, such party shall have unencumbered title to the transferred items or amount, and may dispose such transferred items or amount in accordance with the law.

Section 5 Substitution

The Transferor may give notice to the Transferee proposing to substitute the Eligible Performance Assuring Asset specified in the notice (hereinafter referred to as the “**New Performance Assuring Asset**”) for the Transferred Performance Assuring Asset specified in the notice (hereinafter referred to as the “**Original Performance Assuring Asset**”).

If the Transferee gives notice to the Transferor (which can be by way of telephone) of its consent to the substitution, then:

1. the Transferor shall transfer the New Performance Assuring Asset to the Transferee no later than 17:00 (Beijing Time) on the relevant Completion Date;
2. upon the confirmation by the Transferee that the transfer of the New Performance Assuring Asset has been effected, the Transferee shall transfer the Eligible Performance Assuring Asset Equivalent in relation to the Original Performance Assuring Asset to the Transferor no later than 17:00 (Beijing Time) on the relevant Completion Date.

The Transferee shall ensure that the Value of the aforesaid Eligible Performance Assuring Asset Equivalent which has been transferred, as of the date on which the transfer is effected, is close to the Value of the New Performance Assuring Asset as of that day, but need not be higher than the Value of the New Performance Assuring Asset as of that day.

Section 6 Resolution of Disputes as to Calculation and Valuation

When a party (the “**Disputing Party**”) disputes (A) the Delivery Amount or the Return Amount calculated by the Valuation Party or (B) the Value of any transferred Eligible Performance Assuring Asset or Eligible Performance Assuring Asset Equivalent, such dispute shall be resolved pursuant to the following methods:

1. In the case of (A), the Disputing Party shall issue a notice of dispute to the other party and the Valuation Party no later than 17:00 (Beijing Time) on the first Business Day following the receipt of the notice given by the other party pursuant to Section 2 of the Standard Terms. In the case of (B), the Disputing Party shall issue a notice of dispute to the other party and the Valuation Party no later than 17:00 (Beijing Time) on the first Business Day following the relevant Completion Date.
2. In the case of (A), the party obliged to transfer the Eligible Performance Assuring Asset (or the Eligible Performance Assuring Asset Equivalent) shall transfer the undisputed portion of the Eligible Performance Assuring Asset (or the Eligible Performance Assuring Asset Equivalent) to the other party no later than 17:00 (Beijing Time) on the relevant Completion Date.

3. In respect of any disputed portion in the case of (A) or (B), the parties shall settle the dispute through consultations within five Business Days after the notice of dispute takes effect.
4. If the parties fail to settle the dispute within the time limit mentioned above, and:
 - (1) if the dispute is in relation to the Delivery Amount or the Return Amount, the Valuation Party shall calculate the Risk Exposure and Value as of the Re-calculation Date on the following basis:
 - (a) any calculation of that portion of the Risk Exposure attributable to the undisputed Transaction under this Agreement shall be used;
 - (b) if the parties agree in this Agreement to adopt the replacement transaction method, the Valuation Party shall ask the third persons (and if the parties have agreed to a specific meaning of a third person for the replacement transaction method, then a third person with such specific meaning) for four actual mid-market quotations, and shall calculate the Risk Exposure attributable to the disputed Transaction under this Agreement by using the arithmetic mean of such quotations;
 - (c) if the parties agree in this Agreement to adopt the market quotation method, the Valuation Party shall ask for four actual mid-market quotations from the Reference Market Makers, and shall calculate the Risk Exposure attributable to the disputed Transaction under this Agreement by using the arithmetic mean of such quotations;
 - (d) where four quotations cannot be obtained for a Transaction, fewer than four quotations may be used; where no quotation can be obtained for a Transaction, the original calculation made by the Valuation Party shall be used for such Transaction;
 - (e) for any dispute in relation to the Value of the then existing Transferred Performance Assuring Asset, the Value shall be recalculated in the manner as set out in the Supplemental Terms.
 - (2) if the dispute is in relation to the Value of any transferred Eligible Performance Assuring Asset or the Value of any Eligible Performance Assuring Asset Equivalent, the Valuation Party shall recalculate the Value of the Eligible Performance Assuring Asset or the Eligible Performance Assuring Asset Equivalent as of the relevant Completion Date in accordance with the terms of the Supplemental Terms.
5. The Valuation Party shall notify the parties of the result of the recalculation or revaluation performed in the manner as set out above (where a party acts as the Valuation Party, such party shall notify the other party of the same) no later than 17:00 (Beijing Time) on the sixth Business Day after the notice of dispute takes effect. The relevant party shall effect the transfer in accordance with the terms of this Document after its receipt of the subsequent notice given by the other party.

Section 7 Dividend and Interest Amount

(I) Dividend

Where the Transferee receives (or deemed to have received, in accordance with the market practice) the Dividends on the Transferred Performance Assuring Asset in respect

of a Dividend Date, the Transferee shall transfer the cash, marketable securities or other assets in such class, denomination, description, currency and amount as shall be equivalent to those of the Dividend (the “**Dividend Equivalent**”) to the Transferor no later than 17:00 (Beijing Time) on the Dividend Transfer Date immediately following such Dividend Date. The obligation of the Transferee to transfer the Dividend Equivalent is subject to the condition that no Delivery Amount (which shall be calculated by the Valuation Party and for this purpose the date on which the calculation is made shall be deemed as a Valuation Date) shall be created or increased as a result thereof.

(II) Interest Amount

Unless otherwise agreed by the parties, in respect of the Transferred Performance Assuring Asset in the form of cash that is in the possession (or deemed to be in the possession in accordance with the market practice) of the Transferee, the Transferee shall transfer the Interest Amount to the Transferor no later than 17:00 (Beijing Time) on the Interest Transfer Date immediately following the end of the relevant Interest Period. The obligation of the Transferee to transfer the Interest Amount is subject to the condition that no Delivery Amount (which shall be calculated by the Valuation Party and for this purpose, the date on which the calculation is made shall be deemed as a Valuation Date) shall be created or increased as a result thereof.

Section 8 Non-default Circumstances

Unless otherwise agreed by the parties, if a party continues to perform its obligations in accordance with the dispute resolution procedures as set out in Section 6 of the Standard Terms, despite that such party fails to transfer the relevant Eligible Performance Assuring Asset or Eligible Performance Assuring Asset Equivalent in respect of the disputed amount referred to in Section 6 of the Standard Terms, such failure to transfer shall not constitute an Event of Default or a Potential Event of Default in respect of such party as referred to in Section 6(I) or 6(II) of the Master Agreement.

Section 9 Disposal upon Early Termination

Where an Event of Default under Section 6 or a Termination Event under Section 7 of the Master Agreement occurs in respect of a party, and as a result of which all Transactions under this Agreement are early terminated, the Transaction under this Document shall be included in the calculation of the Early Termination Payment Amount in accordance with the terms of the Master Agreement. The Early Termination Date shall be deemed to be the Valuation Date and the Value of the Transferred Performance Assuring Asset shall be deemed to be the Unpaid Amount which shall be included in the calculation of the Early Termination Payment Amount under the Master Agreement. When calculating the Early Termination Payment Amount, the fair market value of the Transaction hereunder shall be deemed to be zero.

Section 10 Miscellaneous Provisions

(I) Representations

A party makes the following representations to the other party (such representations shall be deemed to be repeated on the date of each transfer by such party of the Eligible Performance Assuring Asset, the Eligible Performance Assuring Asset Equivalent or the Dividend Equivalent):

It has complete ownership of any Eligible Performance Assuring Asset, Eligible Performance Assuring Asset Equivalent or Dividend Equivalent transferred by it and no third party interest has been created over such Eligible Performance Assuring Asset, Eligible Performance Assuring Asset Equivalent or Dividend Equivalent.

(II) Costs and Expenses

Each party shall bear its own taxes and other expenses incurred by its performance of obligations under this Document.

(III) Liquidated Damages

If the Transferee fails to transfer the relevant Eligible Performance Assuring Asset Equivalent to the Transferor no later than 17:00 (Beijing Time) on the relevant Completion Date in accordance with the terms of this Document (except for circumstances set out in Section 8 of the Standard Terms), fails to transfer the relevant Dividend Equivalent to the Transferor no later than 17:00 (Beijing Time) on the relevant Dividend Transfer Date, or fails to transfer to the Transferor the relevant Interest Amount no later than 17:00 (Beijing Time) on the relevant Interest Transfer Date, it shall pay the Transferor interest at the Default Rate in respect of the Value of the assets described above as of the relevant Valuation Date, the relevant Dividend Transfer Date, or the relevant Interest Transfer Date or (in the circumstances where the Transferee fails to timely transfer the Original Performance Assuring Asset in accordance with the terms of item 2 of Section 5 of the Standard Terms) the date on which the New Performance Assuring Asset is transferred. The Valuation Party (or the Transferor, if the Valuation Party being the Transferee) shall be responsible for determining the Value of the assets described above as of such date. The Value shall be determined on the basis of information it obtained as of 17:00 (Beijing Time) on the Business Day immediately preceding such date. The Interest Period shall start from (and including) such due date and shall end on (but excluding) the date on which the relevant Eligible Performance Assuring Asset Equivalent, the relevant Dividend Equivalent or the relevant Interest Amount is actually transferred. The interest shall be calculated on the basis of daily compounding in accordance with the actual number of days elapsed on which interest accrues.

(IV) Principles of Good Faith and Commercial Reasonableness

The parties shall perform all of their obligations under this Document in accordance with the principles of good faith and commercial reasonableness.

(V) Notices

Unless otherwise agreed by the parties, the terms of Section 19 of the Master Agreement shall apply to notices and their effectiveness thereof given by a party under this Document (except for the telephone notice given by the Transferee in accordance with the terms of Section 5 of the Standard Terms).

Section 11 Definitions

In this Document, the following terms shall be defined as follows:

“Re-calculation Date” means the Valuation Date on which a dispute arises under Section 6 of the Standard Terms. If any subsequent Valuation Date occurs under Section 2 of the Standard Terms prior to the dissolution of the dispute, the Re-calculation Date refers to the last occurring Valuation Date arising under Section 2 of the Standard Terms.

“Transferor” means the party who transfers the Eligible Performance Assuring Asset to the Transferee. The Transferor may be either one of the parties.

“Independent Amount” means, in respect of a party, any amount (expressed in Renminbi) as provided in the Supplemental Terms to be applicable to such party and named as such. Unless otherwise agreed by the parties, the Independent Amount applicable to either party is zero.

“Return Amount” means any amount as specified in Section 2(II) of the Standard Terms and named as such.

“Risk Exposure” means, in respect of any Valuation Date or any other date on which the Risk Exposure is calculated, and subject to Section 6 of the Standard Terms where disputes have arisen, assuming that all Transactions between the parties under this Agreement (excluding the Transaction constituted by this Document) are terminated at the relevant Valuation Time, the amount (using Renminbi as the Termination Currency) payable by the other party to the Transferee (expressed as a positive number) or payable by the Transferee to the other party (expressed as a negative number), in accordance with paragraph 1 of Section 10(IV) of the Master Agreement (assuming that the Transferee is not the Affected Party). If the parties agree in this Agreement to adopt the replacement transaction method, the Termination Amount shall be determined by the Valuation Party on behalf of the Transferee; the Valuation Party shall determine such Termination Amount by using the amount which is required for payment under a transaction having the economic equivalent of the major terms of such Transaction, and such amount shall be determined on the basis of the estimated mid-market price. If the parties agree in this Agreement to adopt the market quotation method, the Market Quotation shall be determined by the Valuation Party on behalf of the Transferee; the Valuation Party shall determine the Market Quotation for the Transaction mentioned above by using the amount which is required for payment for a replacement transaction (as described in the definition of Market Quotation), and such amount shall be determined on the basis of the mid-market price.

“Valuation Percentage” means, in respect of a category of Eligible Performance Assuring Asset, the percentage applicable to that category as agreed under the Supplemental Terms. If the Supplemental Terms do not specify the percentage applicable to such category of Eligible Performance Assuring Asset, the percentage shall be 100%. For the avoidance of doubt, the Valuation Percentage applicable to any Transferred Performance Assuring Asset shall be deemed to be 100% in the calculation conducted under Section 9 of the Standard Terms regardless of whether or not any applicable Valuation Percentage is set out in the Supplemental Terms in respect of certain type of Eligible Performance Assuring Asset.

“Valuation Party” means the entity as provided in the Supplemental Terms and named as such. The Valuation Party may be one of the parties or both parties, or a third party jointly appointed by both parties.

“Valuation Date” means any date as provided in the Supplemental Terms and named as such.

“Valuation Time” means any time as provided in the Supplemental Terms and named as such. If it is not provided by the parties, the Valuation Time shall be 17:00 (Beijing Time) on the Business Day immediately preceding the Valuation Date.

“Eligible Performance Assuring Asset Equivalent” means, in relation to any Eligible Performance Assuring Asset included in the Transferred Performance Assuring Asset, the Eligible Performance Assuring Asset equivalent to such aforesaid Eligible Performance Assuring Asset in respect of the class, denomination, description, currency and amount.

“Eligible Performance Assuring Asset” means (A) any cash and (B) any debt securities in book-entry form and issued and traded within the territory of the People’s Republic of China (which, for the purpose of this Document, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan area), as agreed by the parties in the Supplemental Terms to be Eligible Performance Assuring Asset.

“Value” in respect of any Valuation Date or any other date for the calculation of Value, means (unless otherwise set out in Section 6 of the Standard Terms):

1. in relation to an amount of the Eligible Performance Assuring Asset or Transferred Performance Assuring Asset in the form of Renminbi cash, such amount;
2. in relation to an amount of the Eligible Performance Assuring Asset or Transferred Performance Assuring Asset in the form of cash in any other currency, the RMB Equivalent of such amount multiplied by the applicable Valuation Percentage; and
3. in relation to the Eligible Performance Assuring Asset or Transferred Performance Assuring Asset in the form of book-entry debt securities, the RMB Equivalent which is equal to the product of the applicable Valuation Percentage and the sum of bid price obtained by the Valuation Party in respect of the book-entry debt securities and any unpaid accruing interest on such book-entry debt securities as of such date (provided that the above interest is not included in the above rate as at such date).

“Delivery Amount” means any amount as set out under Section 2(l) of the Standard Terms and named as such.

“Interest Rate” means, in respect of a currency, the interest rate to such currency as provided in the Supplemental Terms.

“Interest Amount” means, in respect of an Interest Period, the total amount of the RMB Equivalent of the aggregate interest, for each currency, accrued on the principal amount of the Transferred Performance Assuring Asset in the form of cash during such Interest Period. The interest accrued on the principal amount of the cash in each currency on each day during such Interest Period shall be determined by the Valuation Party pursuant to methods as follows:

1. the amount of cash in such currency on that day;

multiplied by

2. the relevant Interest Rate as of that day; and

divided by

3. 365 (where the currency is Pound Sterling or Hong Kong Dollars) or 360 (where the currency is any currency other than Pound Sterling or Hong Kong Dollars).

“Interest Period” means the period starting from (and including) the previous Interest Transfer Date (or, where no Interest Amount has been transferred, the Business Day on which the Transferred Performance Assuring Asset, which is in the form of cash, is transferred to the Transferee) and ends on (but excluding) the current Interest Transfer Date.

“Interest Transfer Date” means, for the purpose of transferring the Interest Amount, the date as agreed by the parties in the Supplemental Terms and named as such. If it has not been agreed by the parties, the Interest Transfer Date shall be the last Business Day of each calendar month.

“Dividend” means, in respect of the Transferred Performance Assuring Asset in the form of book-entry debt securities, all principal, interest and other payment or distribution of cash or other assets

to which the holders of the book-entry debt securities in such class, denomination, description and amount as shall be the same as those of the Transferred Performance Assuring Asset are entitled from time to time.

“Dividend Equivalent” means any cash, marketable securities or other assets as set out in Section 7(l) of the Standard Terms and named as such.

“Dividend Date” means, in respect of the Transferred Performance Assuring Asset in the form of book-entry debt securities, any day on which the holders of the book-entry debt securities in such class, denomination, description and amount as shall be the same as those of the Transferred Performance Assuring Asset are entitled to the Dividend. If that day is not a Business Day, the Dividend Date shall be the Business Day immediately following that day.

“Dividend Transfer Date” means, for the purpose of transfer of Dividend Equivalent, the date as agreed by the parties in the Supplemental Terms and named as such.

“Threshold Amount” means, in respect of either party, any amount (expressed in Renminbi) applicable to such party as provided in the Supplemental Terms and named as such. Unless the otherwise agreed by the parties, the Independent Amount applicable to either party shall be zero.

“RMB Equivalent” means, in respect of any amount as of a Valuation Date, if the currency unit of the amount is expressed in Renminbi, such amount; if the currency unit of the amount is expressed in a currency other than Renminbi, the amount of Renminbi that is necessary for purchasing, to the extent that it does not violate any PRC Laws, the equivalent amount of such other currency on that Valuation Date as determined by the Valuation Party in accordance with the principles of good faith and commercial reasonableness.

“Transferee” means the party to whom the Eligible Performance Assuring Asset is transferred from the Transferor and who transfers the Eligible Performance Assuring Asset Equivalent, the Dividend Equivalent and/or the Interest Amount to the Transferor. The Transferee may be either one of the parties.

“Completion Date” means, unless otherwise agreed by the parties, in relation to item 1 of Section 5 of the Standard Terms, the first Business Day following the date on which the Transferor receives the notice of consent to the substitution from the Transferee; in relation to item 2 of Section 5 of the Standard Terms, the first Business Day following the date on which the New Performance Assuring Asset is transferred; and in relation to other provisions of this Document, the first Business Day following the date on which the notice received by the Transferor takes effect, under which the Transferor is required to transfer the Eligible Performance Assuring Asset to the Transferee, or the notice received by the Transferee takes effect, under which the Transferee is required to transfer the Eligible Performance Assuring Asset Equivalent to the Transferor. In determining the relevant Completion Date, if the notice is received on a day that is not a Business Day, or if the notice is received after 17:00 (Beijing) on a Business Day, the first following Business Day shall be the date on which the notice is deemed to be received.

“Transferred Performance Assuring Asset” means the aggregate amount of items 1, 2 and 3 below:

1. the aggregate amount of the Eligible Performance Assuring Asset, to which its corresponding Eligible Performance Assuring Asset Equivalent has not been transferred to the Transferor by the Transferee after the Transferor transfers such Eligible Performance Assuring Asset to the Transferee;

2. the aggregate amount of the Dividend which is distributed or generated from the Eligible Performance Assuring Asset, to which the Dividend Equivalent has not been transferred to the Transferor by the Transferee during the period from the time when the Transferor transfers such Eligible Performance Assuring Asset to the Transferee until the Transferee transfers the Eligible Performance Assuring Asset Equivalent thereof to the Transferor; and
3. the aggregate amount of the Interest Amount which is generated from the Eligible Performance Assuring Asset in the form of cash, to which such Interest Amount has not been transferred to the Transferor by the Transferee during the period from the time when the Transferor transfers such Eligible Performance Assuring Asset to the Transferee until the Transferee transfers the Eligible Performance Assuring Asset Equivalent to the Transferor.

“Minimum Transfer Amount” means, in respect of a party, any amount (expressed in Renminbi) applicable to such party as provided in the Supplemental Terms and named as such. Unless otherwise agreed by the parties, the Minimum Transfer Amount applicable to either party is Renminbi One Hundred Thousand only. If the Transferor has no current or potential payment or delivery obligation under all outstanding Transactions in this Agreement, the Minimum Transfer Amount in respect of any Return Amount shall be zero.

NAFMII TITLE TRANSFER PERFORMANCE ASSURANCE DOCUMENT

Supplemental Terms

This Document is entered into by and between

_____ (“Party A”)

and

_____ (“Party B”)

on, and becomes effective as of, _____.

It is agreed that the Standard Terms of this Document shall be modified, amended and supplemented as follows:

(I) Delivery Amount, Return Amount and Transferee’s Adjusted Risk Exposure

1. The Delivery Amount has the meaning provided in Section 2(I), unless otherwise stipulated here:

2. The Return Amount has the meaning provided in Section 2(II), unless otherwise stipulated here:

3. The Adjusted Risk Exposure of the Transferee has the meaning provided in Section 2(III), unless otherwise stipulated here:

(II) Eligible Performance Assuring Asset and its Valuation Percentage

The Eligible Performance Assuring Asset and its Valuation Percentage applicable to a party are as follows:

	Eligible Performance Assuring Asset	Party A	Party B	Valuation Percentage
1	cash in Renminbi	✓	✓	100%
2	Eligible Performance Assuring Asset in the form of cash in any currency other than Renminbi			
	[Currency 1]	[]	[]	[]%
	[Currency 2]	[]	[]	[]%
		[]	[]	[]%
3	legally transferrable treasury debt securities in book-entry form with an outstanding maturity of	[]	[]	[]%

	Eligible Performance Assuring Asset	Party A	Party B	Valuation Percentage
	no more than 1 year			
4	legally transferrable treasury debt securities in book-entry form with an outstanding maturity of over 1 year but no more than 5 years	[]	[]	[]%
5	legally transferrable treasury debt securities in book-entry form with an outstanding maturity of over 5 years but no more than 10 years	[]	[]	[]%
6	legally transferrable treasury debt securities in book-entry form with an outstanding maturity of over 10 years	[]	[]	[]%
7	others	[]	[]	[]%

(III) Independent Amount, Threshold Amount and Minimum Transfer Amount

1. In respect of Party A, the Independent Amount is:
2. In respect of Party B, the Independent Amount is:
3. In respect of Party A, the Threshold Amount is:
4. In respect of Party B, the Threshold Amount is:
5. In respect of Party A, the Minimum Transfer Amount is:
6. In respect of Party B, the Minimum Transfer Amount is:

(IV) Rounding

The Delivery Amount and the Return Amount shall [be rounded down to the nearest integral multiple of _____] / [be rounded up or down to the nearest integral multiple of _____].

(V) Valuation

1. Valuation Party:

Under Sections 2 and 6 of the Standard Terms, the Valuation Party means the party issuing the notice pursuant to Section 2 of the Standard Terms; under Section 7 of the Standard Terms, the Valuation Party means the Transferee, unless otherwise stipulated here:

2. Valuation Date:

3. Valuation Time:

The Valuation Time shall be 17:00 (Beijing Time) on the Business Day preceding the Valuation Date, unless otherwise specified here:

(VI) Completion Date

The Completion Date has the meanings provided in Section 11 of the Standard Terms, unless otherwise stipulated here:

(VII) Supplemental Terms for Section 4(I) of the Standard Terms (Method of transfer of the Eligible Performance Assuring Asset or Eligible Performance Assuring Asset Equivalent)

The parties hereby supplement Section 4(I) of the Standard Terms, or agree otherwise, as follows:

(VIII) Dispute Resolution for Calculation and Valuation

Under item 4 of Section 6 of the Standard Terms, the Value of the Eligible Performance Assuring Asset, Transferred Performance Assuring Asset or Eligible Performance Assuring Asset Equivalent shall be calculated as follows:

(IX) Dividend Transfer Date

In respect of Party A, the Dividend Transfer Date means:

In respect of Party B, the Dividend Transfer Date means:

(X) Interest Transfer Date

In respect of Party A, the Interest Transfer Date means:

In respect of Party B, the Interest Transfer Date means:

(XI) Interest Amount

The parties agree to transfer the Interest Amount in accordance with the terms of Section 7(II) of the Standard Terms, unless otherwise specified here:

The Interest Amount shall be calculated by simple interest, unless otherwise specified here.

(XII) Interest Rate

The Interest Rates applicable to cash in each currency as set out below are:

Currency	Interest Rate
Renminbi	

(XIII) Notice

The details for notice to Party A are:

Address:

Attention:

Postal code:

Facsimile:

Telephone:

Electronic messaging system:

The details for notice to Party B are:

Address:

Attention:

Postal code:

Facsimile:

Telephone:

Electronic messaging system:

(XIV) Miscellaneous

Signing Block

Party A:

Party B:

Signature of authorized representative:

Signature of authorized representative:

Title of authorized representative:

Title of authorized representative:

Company chop:

Company chop: