
CHINA INTER-BANK MARKET

INTEREST RATE DERIVATIVE TRANSACTIONS

DEFINITIONS DOCUMENT

(2012 VERSION)

(English Translation)

Statement on English Translation

This English translation is for reference only and is not prepared for the purposes of execution. The copyright statement in the Chinese version of the documentation applies to this English translation. It should be noted that each language has its own grammatical structures and embodies its own legal and cultural concepts. Accordingly, it is not possible to guarantee that the English version is an exact translation of the original Chinese version, and this English translation shall not be relied upon by any person in making any decision or taking any action.

Beijing Global Law Office, a member of the NAFMII Drafting Committee, has prepared this English translation.

The representatives from other members of the NAFMII Drafting Committee have also participated in the review of this English translation, including Bank of China, Bank of Communications, China Industrial Bank Co., Ltd., China International Capital Corporation, Industrial and Commercial Bank of China, JunZeJun Law Offices and Standard Chartered Bank.

Statement

The aim of the issuance of the *China Inter-bank Market Interest Rate Derivative Transactions Definitions Document (2012 Version)* (the “**Interest Rate Definitions Document**”) by the National Association of Financial Market Institutional Investors (the “**NAFMII**”) is to provide participants in the financial derivatives market (the “**Participants**”) with definitions of terms to be used in transaction confirmations, so as to reduce transaction costs, improve the transaction efficiency, and promote the development of the financial derivatives market. NAFMII will continue to make amendments and additions to the content of the definitions in light of the development and needs of the market. When using this Interest Rate Definitions Document, Participants may effect amendments or supplements as may be necessary for the specific transactions.

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China Inter-bank Market Interest Rate Derivative Transactions Definitions Document (2012 Version)

1. General Definitions

1.1 Interest Rate Derivative Transaction

means an “interest rate derivative transaction” designated by the Parties in the relevant Effective Transaction Agreement, including but not limited to interest rate swap transactions (IRS), forward rate agreements (FRA), interest rate swap option transactions (Swaption) and transactions comprising of the above transactions.

1.2 Effective Transaction Agreement

means a legally binding agreement (including but not limited to Transaction Confirmation) entered into in respect of an Interest Rate Derivative Transaction.

1.3 Transaction Confirmation

means the documents or other written evidence confirming or evidencing an Interest Rate Derivative Transaction exchanged by the Parties, including but not limited to Contract Notes, electronic confirmations, e-mails, telegrams, telexes, facsimile transmissions, agreements and letters.

1.4 Contract Note

means the evidence in written form which is generated from the trading system of the Trade Center after an Interest Rate Derivative Transaction is entered into between the Parties through such trading system, which confirms the transaction conditions of that Transaction.

1.5 Parties / Party

means, in respect of an Interest Rate Derivative Transaction, a Fixed Rate Payer together with a Floating Rate Payer, or a Floating Rate Payer together with another Floating Rate Payer, or an Option Purchaser together with an Option Seller, collectively referred to as the “**Parties**” and each as a “**Party**”.

1.6 Fixed Rate Payer

means, in respect of an Interest Rate Derivative Transaction, the Party that has the obligation to pay Fixed Amounts.



1.7 Floating Rate Payer

means, in respect of an Interest Rate Derivative Transaction, the Party that has the obligation to pay Floating Amounts.

1.8 Option Purchaser

means, in respect of an interest rate swap option transaction, the Party that pays the option premium.

1.9 Option Seller

means, in respect of an interest rate swap option transaction, the Party that receives the option premium.

1.10 Trade Center

means the China Foreign Exchange Trade System & National Interbank Funding Center or any surviving entity, successor or assignee thereof (provided that such surviving entity, successor or assignee assumes all or a substantial part of the business relating to Interest Rate Derivative Transactions therefrom).

1.11 Dealer

means a financial institution engaging in the business of Interest Rate Derivative Transactions, as selected by the Parties or the Calculation Institution in the relevant market in accordance with the principle of good faith. The specific selection methods and standards may be set out in the relevant Effective Transaction Agreements.

1.12 Independent Dealer

means a Dealer not affiliated to any Party. Affiliation means, in respect of an entity, any other entity which directly or indirectly controls it, or is directly or indirectly controlled by it, or is directly or indirectly under the same control with it.

If an entity holds more than fifty (50) percent of the capital or shares of another entity, or has the material impact on the resolutions of the shareholders, the shareholders' meetings or the board of directors of that entity by virtue of the voting rights of the capital contributed to, or the shares held in, that entity, it will be deemed as "controlling" that entity.

1.13 Cash Account

means an account designated by one Party to receive payments from the other Party.



1.14 Clearing Arrangement

means the clearing arrangement selected by the Parties for the Interest Rate Derivative Transactions, including the bilateral clearing model or the centralised clearing model.

2. Relevant Definitions on Dates

2.1 Trade Date (also referred to as the “Transaction Date”)

means the date on which the Parties enter into an Interest Rate Derivative Transaction.

2.2 Commencement Date

means the date on which the transaction terms of an Interest Rate Derivative Transaction becomes effective.

2.3 Value Date

means the date on which interest on funds starts to accrue.

2.4 Termination Date

means the date on which an Interest Rate Derivative Transaction terminates.

2.5 Transaction Period

means the number of days of the period from the Commencement Date to the Termination Date of an Interest Rate Derivative Transaction.

2.6 Business Day

means, unless otherwise agreed by the Parties, the following dates: with respect to any payments, a day on which commercial banks in the place where the relevant account is located are ordinarily open for business (not including statutory festivals and holidays); with respect to any notices or communications, a day on which commercial banks in the city that is specified in the address for notice as provided by the receiving Party are ordinarily open for business (not including statutory festivals and holidays).



2.7 Business Day Convention

If any relevant date of a transaction falls on a day that is not a Business Day, it shall be adjusted in accordance with the following relevant conventions:

- (1) Following Business Day: the date will be postponed to the following Business Day;
- (2) Modified Following Business Day: the date will be postponed to the following Business Day, but if the following Business Day falls in the next calendar month, that date will be the preceding Business Day;
- (3) Preceding Business Day: the date will be the preceding Business Day.

3. Relevant Definitions on Interest Calculations

3.1 Interest Calculation Method

means compound interest or simple interest.

3.2 Interest Period

means the number of days commencing on (and including) each Payment Date and ending on (but excluding) the next Payment Date. The first Interest Period shall commence on (and include) the Value Date, and the last Interest Period shall end on (but exclude) the Termination Date. Unless otherwise agreed by the Parties, when a Payment Date has been adjusted in accordance with the Business Day Convention, the relevant Interest Period shall be calculated on the basis of the adjusted Payment Date (except for the Front Non-integral Period).

3.3 Front Non-integral Period

means the first Interest Period agreed by the Parties which is not divisible by the Payment Period. The last day of the Front Non-integral Period shall be the first Payment Date. Where the first Payment Date has been adjusted pursuant to the Business Day Convention, the number of days of the Front Non-integral Period shall remain unchanged.

3.4 Payment Period

means a fixed time interval mutually agreed by the Parties in order to calculate the Payment Date, including day, week, two weeks, month, quarter, half-year, year, pay in arrears and pay in advance. For the purpose of calculating the Payment Date, a



Payment Period of quarter, half-year or year shall be equal to that of three months, six months or twelve months respectively.

3.5 Payment Date

means the date when a Party makes the payments. Each Payment Date shall be determined in the order by reference to the Value Date and the Payment Period, except that, where the Parties agree on the Front Non-integral Period, the Payment Dates other than the first Payment Date shall be determined in the order by reference to the last day of the Front Non-integral Period and the Payment Period. When the Payment Period is an entire month or in the integral multiples of one month, the Payment Date shall be the same day as the Value Date (or the last day of the Front Non-integral Period) falling in the corresponding month(s) calculated in accordance with such Payment Period (or, if there is no such same day in any such corresponding month, then the last day of such month). The Payment Date will be adjusted in accordance with the Business Day Convention.

3.6 Day Count Fraction

Unless otherwise agreed by the Parties, when calculating the interest payable, the applicable Day Count Fraction is determined in accordance with the following rules:

- (a) **“Actual/Actual” (“A/A”)**: means the quotient of the actual number of days during the Interest Period divided by 365 (or, if any part of the Interest Period falls in a leap year, the sum of (i) the quotient of the actual number of days in the Interest Period falling within the leap year divided by 366 and (ii) the quotient of the actual number of days in that Interest Period falling in a non-leap year divided by 365);
- (b) **“Actual/365” (“A/365”)**: means the quotient of the actual number of days during the Interest Period divided by 365. If such Interest Period includes the 29th of February, interest will accrue on such date;
- (c) **“Actual/Actual (Bond)” (“A/A-Bond”)**: means the actual number of days during the Interest Period, divided by the product of the actual number of days during the current interest payment period and the number of interest payments per annum, where the actual number of days during the current interest payment period means the actual number of days between (and including) the immediately preceding interest payment date and (but excluding) the immediately next interest payment date, including 29th February in a leap year.



- (d) **“Actual/365 (fixed)” (“A/365F”)**: means the quotient of the actual number of days during the Interest Period divided by 365. If such Interest Period includes the 29th of February, interest will not accrue on such date;
- (e) **“Actual Days/360” (“A/360”)**: means the quotient of the actual number of days during the Interest Period divided by 360;
- (f) **“30/360”**: means the quotient of the number of days during the Interest Period divided by 360. The number of days during the Interest Period is calculated on the basis of 12 months per year and 30 days per month, except that in the following two circumstances, the number of days for the current month should be calculated as follows:
 - (i) if the first day in the Interest Period is neither the 30th or the 31st, but the final day is the 31st, there shall be 31 days in the current month in which the final day of the Interest Period falls;
 - (ii) if the final day in the Interest Period is the final day of February, the number of interest accrual days in February shall be the actual number of days of that month.

4. Relevant Definitions on Calculations

4.1 Calculation Institution

means, in respect of an Interest Rate Derivative Transaction, the institution agreed by the Parties to conduct specific calculations for the payment obligation. The Calculation Institution shall comply with the principle of good faith at the time of calculation. The Calculation Institution shall not be treated as the trustee or advisor of any Party when it performs the function of Calculation Institution. The Calculation Institution is responsible for sending the notice to the Parties on the Calculation Date or other dates agreed by the Parties. Such notice shall at least include the following contents:

- (i) the Payment Date;
- (ii) the party obliged to pay the due amount and the amount payable; and
- (iii) any other obligation to be performed by the Calculation Institution as determined by the Parties in the Transaction Effective Agreement.

If such Payment Date and amount payable are changed after the sending of the payment notice, the Calculation Institution shall immediately send a change notice to



the Parties, together with an explanation with reasonable details on how such change is determined.

Unless otherwise agreed by the Parties:

- (1) if the Parties select the Trade Center as the Calculation Institution for such transaction, any calculation, confirmation or adjustment made by the Trade Center in relation to such transaction shall be finally binding on the Parties, unless such calculation, confirmation or adjustment has manifest error or negligence;
- (2) in other circumstances, if one Party has a reasonable dispute with any calculation, confirmation or adjustment made by the Calculation Institution (or, where the Parties are both the Calculation Institutions, by the other Party), it may, within two (2) Business Days of the date when it knows such calculation, confirmation or adjustment, jointly with the other Party select an independent third party as the reviewing institution based on the principle of good faith, provided that such selection does not violate the applicable laws of the PRC. If the Parties fail to jointly select a reviewing institution within the above period, each Party may select an independent third party within the first (1st) Business Day after that period, while two such third parties will jointly select another independent third party as the reviewing institution. If any Party fails to select an independent third party within such Business Day, then the independent third party selected by the other Party shall act as the reviewing institution. If each Party fails to select the independent third party within such Business Day, the calculation, confirmation or adjustment originally made by the Calculation Agent shall be finally binding on the Parties, unless such calculation, confirmation or adjustment has manifest error or negligence.

The function of the reviewing institution shall be (and shall only be) to re-calculate, confirm or adjust the above results subject to dispute, based on the principles of good faith and commercial reasonableness. Subject to the above, the calculation, confirmation or adjustment made by the reviewing institution shall be finally binding on the Parties, unless such calculation, confirmation or adjustment has manifest error or negligence. Unless the Parties otherwise agree, the expenses for retaining the reviewing institution shall be equally shared by the Parties.



4.2 Calculation Date

means the earliest day on which the Calculation Institution is able to conduct the calculation of a payment obligation.

4.3 Smallest digit for an interest rate

The smallest decimal place for RMB interest rates shall be a figure expressed as a percentage calculated to four decimal places. The decimal place after the 4th decimal place shall be rounded off (with 0.00005% being rounded upwards).

4.4 Smallest unit for an amount

The unit for an RMB amount is Yuan, being accurate to fen (one-hundredth of Yuan). Digits after fen shall be rounded off (with 0.5 fen being rounded upwards).

4.5 Calculation Precision

During the process of calculating interest, the smallest decimal place used for an interest rate and an amount shall be 14 for a figure. The decimal place after the 14th decimal place shall be rounded off (with 0.00000000000005% being rounded upwards).

4.6 Basis Point

means one-ten thousandth (0.01%).

4.7 Notional Principal

means the amount agreed for the purpose of calculating the interest.

5. Relevant Definitions on Fixed Amount

5.1 Fixed Rate

means the level of interest rate applicable to the Fixed Rate Payer for its payment of the Fixed Amount.

5.2 Fixed Amount

means the amount payable by the Fixed Rate Payer on a Payment Date. Unless otherwise agreed by the Parties, it shall be calculated in accordance with the following formula:



$$C_{fix,i} = Qr_{fix} \frac{N_i}{D}$$

Where:

$C_{fix,i}$ means the cash flow payable by the Fixed Rate Payer for the i^{th} Interest Period;

Q means the Notional Principal for an Interest Rate Derivative Transaction;

r_{fix} means the Fixed Rate for an Interest Rate Derivative Transaction;

$\frac{N_i}{D}$ means the applicable Day Count Fraction for the i^{th} Interest Period, among which D means the corresponding number of interest accrual days per year in respect of that Day Count Fraction, and N_i is the number of calendar days for such Interest Period.

6. Relevant Definitions on Floating Amount

6.1 Reference Interest Rate

means the reference interest rate adopted by the Parties which will be applied to determine the level of the floating interest rate for the Reset Period, including but not limited to:

(a) **CNY 1 Year Deposit Rate (Depo)**: means, in respect of a Reset Date (including the Value Date), the effective Renminbi one-year term deposit interest rate as designated by the People's Bank of China on its official webpage (www.pbc.gov.cn) on the Business Day preceding such Reset Date. Unless otherwise agreed by the Parties, the Interest Rate Determination Date for CNY 1 Year Deposit Rate is the Business Day preceding the Reset Date. The Day Count Fraction for CNY 1 Year Deposit Rate is A/360.

(b) **CNY 1 Year Loan Rate**: means, in respect of a Reset Date (including the Value Date), the effective Renminbi one-year term loan interest rate as designated by the People's Bank of China on its official webpage (www.pbc.gov.cn) on the Business Day preceding such Reset Date. Unless otherwise agreed by the Parties, the Interest Rate Determination Date for CNY 1 Year Loan Rate is the Business Day preceding the Reset Date. The Day Count Fraction for CNY 1 Year Loan Rate is A/360.



(c) **Shibor**: means, in respect of a Reset Date (including the Value Date), the Shanghai Interbank Offered Rate as published on <http://www.shibor.org> by the Trade Center as authorised by the People's Bank of China, around 11:30 a.m. Beijing time on the Interest Rate Determination Date for such Reset Date (including the Value Date), including eight (8) reference rates being O/N, 1W, 2W, 1M, 3M, 6M, 9M and 1Y. Unless otherwise agreed by the Parties, when Shibor O/N is selected as the Reference Interest Rate, the Interest Rate Determination Date shall be the same day as the Reset Date; when any of the other reference rates of Shibor is selected as the Reference Interest Rate, the Interest Rate Determination Date shall be the Business Day preceding the Reset Date. The Day Count Fraction for Shibor is A/360.

(d) **Repo Fixed Rates**: means, in respect of a Reset Date (including the Value Date), the repo fixed rates published on the website of <http://www.chinamoney.com.cn> by the Trade Center, around 11 a.m. Beijing time on each Interest Rate Determination Date of such Reset Date, including but not limited to the overnight fixed repo rate (FR001) and the 7-day fixed repo rate (FR007). Unless otherwise agreed by the Parties, when FR001 is selected as the Reference Interest Rate, the Interest Rate Determination Date shall be the same day as the Reset Date; when any of the other repo fixed rates is selected as the Reference Interest Rate, the Interest Rate Determination Date shall be the Business Day preceding the Reset Date. The Day Count Fraction for Repo Fixed Rate is A/365.

6.2 Information Back-up Mechanism

If the Reference Interest Rate becomes temporarily or permanently unavailable on any Interest Rate Determination Date during the Interest Periods, the Calculation Institution shall then, or as soon as possible thereafter, endeavour to request four (4) main Dealers (to be selected by the Calculation Institution based on the principles of openness and fairness) to provide their respective quotation for the Reference Interest Rate. By the closing of the business on such date, if the Calculation Institution has received four (4) such quotations, the Reference Interest Rate will be the arithmetic mean of the quotations, without regard to the quotations having the highest value and the lowest value; if the Calculation Institution has received two (2) or three (3) such quotations, the Reference Interest Rate will be the arithmetic mean of such quotations; if the Calculation Institution has only received one (1) or no such quotation, the Reference Interest Rate will be determined by the Calculation Institution based on the principles of commercial reasonableness, fairness and openness and good faith.



6.3 Floating Rate

means the per annum interest rate applicable to the Floating Rate Payer during the Interest Period, being:

- (a) unless otherwise agreed by the Parties, the level of the Reference Interest Rate in respect of each Interest Rate Determination Date;
- (b) if a Cap Rate is specified, the difference between the interest rate determined pursuant to paragraph (a) above and the agreed Cap Rate (if the difference is a negative figure, then deemed as zero (0)); and
- (c) if a Floor Rate is specified, the difference between the agreed Floor Rate and the interest rate determined pursuant to paragraph (a) above (if the difference is a negative figure, then deemed as zero (0)).

6.4 Spread (also referred to as the “Basis Point Difference”)

means the number of Basis Point(s) to be added to or subtracted from the Floating Rate.

6.5 Negative Interest Rate

means, where the Floating Amount is a negative figure, the calculation method as may be agreed by the Parties.

(a) **Negative Interest Rate Method:** the Floating Amount payable by the Floating Rate Payer shall be deemed as zero (0), whereas the other Party shall pay the absolute value of the Floating Amount, in addition to the amount originally scheduled to be paid by that Party for the relevant Interest Period.

(b) **Zero Rate Method:** the Floating Amount payable by the Floating Rate Payer shall be deemed as zero (0), and the other Party shall pay the amount originally scheduled to be paid by that Party for the relevant Interest Period.

Unless otherwise agreed by the Parties, the “**Negative Interest Rate Method**” shall apply for the calculation of the Negative Interest Rate.

6.6 Floating Amount

(1) if the interest is calculated as simple interest:

$$C_{float,i} = \sum_{j=1}^n Q(r_{ref,j} + BP) \frac{d_j}{D}$$



Where:

$C_{float,i}$ means the cash flow payable by the Floating Rate Payer for the i^{th} Interest Period;

Q means the Notional Principal of an Interest Rate Derivative Transaction;

$r_{ref,j}$ means the Floating Rate corresponding to the j^{th} Reset Date of the i^{th} Interest Period;

BP means the Spread;

d_j means the actual number of days from (and including) the beginning of the j^{th} Reset Period of the i^{th} Interest Period to (but excluding) the end of such Reset Period;

D means the corresponding number of interest accrual days per year in respect of the Day Count Fraction of a Reference Interest Rate; and

n means the number of Reset Periods included in the i^{th} Interest Period.

(2) if the interest is calculated as compound interest:

$$C_{float,i} = Q \left\{ \prod_{j=1}^{d_0} \left(1 + \frac{(r_{float,j} + BP) \times d_j}{D} \right) - 1 \right\}$$

Where:

$C_{float,i}$ means the cash flow payable by the Floating Rate Payer for the i^{th} Interest Period;

Q means the Notional Principal of an Interest Rate Derivative Transaction;

$r_{ref,j}$ means the Floating Rate corresponding to the j^{th} Reset Date of the i^{th} Interest Period;

BP means the Spread;

d_j : 1) where ShiborO/N or FR001 is selected as the Reference Interest Rate, d_j is "1" if the day immediately following a Business Day is also a Business Day, but where the day immediately following a Business Day is not a Business Day, then d_j is the



number of calendar days from (and including) such Business Day to (but excluding) the next Business Day; 2) where any other rate is selected as the Reference Interest Rate, d_j is the number of calendar days from (and including) the beginning of the j^{th} Reset Period of the i^{th} Interest Period to (but excluding) the end of such Reset Period; d^0 means the number of Reset Periods included in the i^{th} Interest Period; and D means the corresponding number of interest accrual days per year in respect of the Day Count Fraction of a Reference Interest Rate.

6.7 Reset Frequency

means a fixed time interval for the purpose of calculating the Reset Date, including day, week, two weeks, month, quarter, half-year and year, among which “day” means the Business Day. For the calculation of the Reset Date, a Reset Frequency of quarter, half-year or year shall be equal to that of three months, six months or twelve months respectively.

6.8 Reset Date

In respect of an Interest Period, the Reset Date shall be calculated in accordance with the Rest Frequency commencing on the first day of the Interest Period and, when the Reset Frequency has the same number of days as the Payment Period, no reset will occur during such Interest Period. When the Reset Period is an entire month or in the integral multiples of one month and a reset occurs during the Interest Period, the Reset Date shall the same day as the first Reset Date of such Interest Period falling in the corresponding month(s) calculated in accordance with such Reset Frequency (or, if there is no such same day as the Value Date in any such corresponding month, then the last day of such month).

6.9 Reset Period

means, in respect of an Interest Period, the number of days from (and including) the immediately preceding Reset Date to (but excluding) the immediately following Reset Date. The first Reset Date shall commence on the first day of an Interest Period, and the last Reset Period for such Interest Period shall end on the same date when such Interest Period ends.

If there exists only one Reset Date in an Interest Period, then the corresponding Rest Period shall be the same as such Interest Period.



6.10 Interest Rate Determination Date

means the date on which the Reference Interest Rate of a certain Reset Date is determined. Unless otherwise agreed by the Parties, the calculation of an Interest Rate Determination Date shall apply the Preceding Business Day convention under the Business Day Convention.

7. Discount Factor

In respect of the discounting of the Fixed Amount or the Floating Amount where the Interest Period is up to one year, the discount factor shall apply the following formula:

$$\lambda = \frac{1}{1 + (r \times N / D)}$$

Where:

λ is the discount factor for the calculation of the initial payment amount of the Fixed Amount or the Floating Amount;

r is the Discount Rate and, unless otherwise agreed by the Parties, the Discount Rate is the sum of the Reference Interest Rate determined on the Interest Rate Determination Date plus or minus the Spread;

N is the actual number of days of the Interest Period; and

D means the corresponding number of interest accrual days per year in respect of the Day Count Fraction of a Discount Rate and, unless otherwise agreed by the Parties, the Day Count Fraction of the Reference Interest Rate shall apply.

8. Early Termination Right

8.1 Early Termination Right

means, in respect of an Interest Rate Derivative Transaction, the option of one Party or the Parties, as agreed by the Parties in the relevant Effective Transaction Agreement, to exercise the right to early terminate the whole or a part of such transaction on an agreed exercise date or during an agreed exercise period. Unless otherwise agreed,



the option holder shall exercise the Early Termination Right by serving the Termination Notice on the other party.

8.2 Early Termination Date

means, upon the exercise by the option holder of the Early Termination Right, the date on which the Interest Rate Derivative Transaction is early terminated. When the Early Termination Date has not been expressly set out by the Parties, it shall be the fifth (5th) Business Day immediately after the date on which the option holder exercises its Early Termination Right; when the Early Termination Date has been expressly set out by the Parties, the Termination Notice shall be served on the other Party not later than the fifth (5th) Business Day before (but excluding) the contemplated Early Termination Date.

8.3 Termination Notice

means an irrevocable notice sent by the option holder to the other Party by facsimile transmission, electronic messaging system or electronic trading system etc. for exercising the Early Termination Right. The Termination Notice shall come into effect when served on the other Party.

8.4 Consequence on Exercising the Early Termination Right

means, upon the exercise by the option holder of the Early Termination Right, in respect of the early termination of the whole transaction, all the rights, obligations and liabilities under such transaction shall terminate from the effective Early Termination Date; in respect of the early termination of a part of the transaction, the relevant rights, obligations and liabilities corresponding to the amount of Notional Principal so early terminated under such transaction shall terminate from the effective Early Termination Date, while a partial early termination shall not affect any rights, obligations or liabilities correspondingly enjoyed or owed by the Parties pursuant to the original Effective Transaction Agreement in relation to the balance amount of Notional Principal under such transaction after (and including) the Early Termination Date. The whole or partial early termination shall not affect any payment obligation which has accrued before (but excluding) the Early Termination Date but has not been performed or fully performed by the Parties.

Unless otherwise agreed by the Parties, the option holder shall exercise its termination right on all the Notional Principal under the relevant Interest Rate Derivative Transaction.



8.5 Valuation Date

means the date when the market quotation or third party data for the purpose of calculating the Early Termination Payment Amount has been obtained and so used for the determination of the Early Termination Payment Amount. Unless otherwise agreed, the Valuation Date shall be the first Business Day immediately preceding the Early Termination Date.

8.6 Early Termination Payment Amount

means, upon the exercise by the option holder of its Early Termination Right, the amount payable by one Party to the other Party in relation to the transaction early terminated. The Parties shall discuss and reach an agreement on the Early Termination Payment Amount on the basis of the Valuation Date. If the Parties fail to reach an agreement on the Early Termination Payment Amount before 11:00 a.m. of the Valuation Date, the Calculation Institution shall be responsible to calculate the Early Termination Payment Amount. Unless otherwise agreed, the Calculation Institution shall complete the calculation within two (2) Business Days after the Early Termination Date and notify the calculation result to the Parties.

8.7 Settlement Date

Unless otherwise agreed, the Parties shall complete the payment of the Early Termination Payment Amount prior to the close of the fifth (5th) Business Day after the Early Termination Date.



Schedule - Transaction Confirmation for Interest Rate Swap Transactions

The Parties have entered into the *China Inter-bank Market Financial Derivative Transactions Master Agreement* (2009 Version) (the “**Master Agreement**”) and the *Supplement to the China Inter-bank Market Financial Derivative Transactions Master Agreement* (2009 Version) (as amended, revised or supplemented from time to time, if any, the “**Supplement**”), and have submitted the Master Agreement and the Supplement to the National Association of Financial Market Institutional Investors for filing. This confirmation constitutes an “Effective Transaction Agreement” referred to in the Master Agreement and all terms of the Master Agreement and the Supplement apply to this confirmation. This confirmation applies the *China Inter-bank Market Interest Rate Derivative Transactions Definitions Document* (2012 Version) and any amendment or supplement thereto (the “**Definitions Document**”) and, if there is any conflict between this confirmation and the Definitions Document, the terms of this confirmation shall prevail.

The Parties agree that the terms of this confirmation shall be complete and binding on the Parties.

Contract No.		Confirmation Date	
1. Basic Information of the Parties			
Information of the Fixed Rate Payer		Information of the Floating Rate Payer	
Institution		Institution	
Address		Address	
Attention		Attention	
Phone		Phone	
Fax		Fax	
2. General Terms			
Transaction Period		Notional Principal (in Ten Thousands Yuan)	
Transaction Date			
Value Date		Business Day Convention	
Termination Date		Calculation Institution	
3. Payment Terms of the Parties			
Fixed Rate Payment			
Fixed Rate (%)		Calculation Method of Fixed Rate	
Day Count Fraction of Fixed Rate		Payment Period of Fixed Rate	
Payment Date of Fixed Rate			



Floating Rate Payment			
Reference Interest Rate (%)		Day Count Fraction of Floating Rate	
Spread (bp)		Calculation Method of Floating Rate	
Payment Period of Floating Rate		Reset Frequency	
Payment Date of Floating Rate			
Interest Rate Determination Date			
4. Account Information			
Account Information of Fixed Rate Payer		Account Information of Floating Rate Payer	
Account Name		Account Name	
Account		Account	
Account Bank		Account Bank	
Payment System Code		Payment System Code	
Supplemental Terms:			
Signed by the Fixed Rate Payer		Signed by the Floating Rate Payer	
Signature of the Authorised Signatory or the Stamp:		Signature of the Authorised Signatory or the Stamp:	
Date:		Date:	