

Open Position, such number being determined and notified by Party A to Party B from time to time, and initially being five percent (5%).

- (K) ***“Tier II Independent Amount Ratio”*** means a number expressed as a percentage representing the minimum proportion of (1) the Net Collateral Value attributable to all FX Transactions and Currency Option Transactions involving Tier II Currencies but not involving Tier III Currencies or Tier IV Currencies to (2) the Tier II Net Open Position, which Party B must maintain in respect of outstanding FX Transactions and Currency Option Transactions involving Tier II Currencies but not involving Tier III Currencies or Tier IV Currencies, such number being determined and notified by Party A to Party B from time to time, and initially being ten percent (10%).
- (L) ***“Tier II Net Open Position”*** means, at any given time, the amount obtained by calculating the Net Open Position as it applies to all FX Transactions and Currency Option Transactions involving Tier II Currencies but not involving Tier III Currencies or Tier IV Currencies.
- (M) ***“Foreign Exchange Transactions”*** means any Transaction that is a FX Transaction or Currency Option Transaction as defined in the FX Definitions (as defined below).
- (N) ***“Forward Risk Adjustment Amount”*** means an amount in the Base Currency determined by Party A in a commercially reasonable manner to account for the risk attributable to movements in the yield curves of the underlying currencies of the FX Transactions.
- (O) ***“Tier IV Ceiling Limit”*** means USD 5,000,000.
- (P) ***“Tier IV Close-Out Ratio”*** means a number expressed as a percentage representing the quotient of (A) the portion of the Net Collateral Value attributable to all FX Transactions and Currency Option Transactions involving Tier IV Currencies, divided by (B) the Tier IV Net Open Position, such number being determined and notified by Party A to Party B from time to time, and initially being fifteen percent (15%).
- (Q) ***“Tier IV Independent Amount Ratio”*** means a number expressed as a percentage representing the minimum proportion of (1) the Net Collateral Value attributable to all FX Transactions and Currency Option Transactions involving Tier IV Currencies to (2) the Tier IV Net Open Position, which Party B must maintain in respect of outstanding FX Transactions and Currency Option Transactions involving Tier IV Currencies, such number being determined and notified by Party A to Party B from time to time, and initially being twenty- five percent (25%).
- (R) ***“Tier IV Net Open Position”*** means, at any given time, the amount obtained by calculating the Net Open Position as it applies to all FX Transactions and Currency Option Transactions involving Tier IV Currencies.
- (S) ***“Net Collateral Value”*** means an amount expressed in the Base Currency equal to the difference of (1) the Value of Posted Credit Support, minus (2) the Secured Party’s Exposure, such amount being determined and notified by Party A to Party B from time to time, provided that if such difference shall be an amount less than zero, the Net Collateral Value shall be zero.