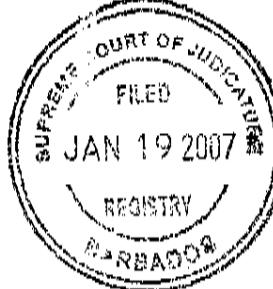


BARBADOS

No. 2092 of 2006



DRAWN AND PREPARED BY

Attorney at Law
OF CLARKE CITIENS & FARMER
"Parker House"
Wilfey Business Park
Wilfey Road
St. Michael, Barbados

IN THE HIGH COURT OF JUSTICE

CIVIL DIVISION

IN THE MATTER of Bancafe International
Bank LtdAND IN THE MATTER of the International
Financial Services Act Cap 325 of the laws
of BarbadosAFFIDAVIT

I, CHRISTOPHER SAMBRANO, of "Windrush", #3 Retreat Woods, St. George
MAKE OATH AND SAY as follows:

1. I am a Director of PriceWaterhouseCoopers EC Inc which has been appointed by Court Order dated the November 29, 2006, as Custodian to supervise the compulsory winding-up of Bancafe International Bank Ltd (Bancafe) pursuant to the International Financial Services Act Cap No 5 of 2002 of the Laws of Barbados (IFSA). I am the Director responsible for the conduct of the said winding up.
2. I am able to make this affidavit, save where otherwise appears, on the basis of facts and matters which are within my own knowledge and which I know to be true. When I refer to some other source of information, that information is true to the best of my knowledge and belief.
3. This affidavit is filed in support of the urgent application before the Court filed by the Custodian which seeks the Court's approval of a proposed settlement of claims made by Bancafe and an extension of the timeline for the custodian to comply with certain requirements of the IFSA.

THE PROPOSED SETTLEMENT / REFCO CAPITAL MARKETS LTD.

1. In June 2003, Bancafe opened an account with Refco Capital Markets Ltd "RCM" a Bermuda based entity which is an unregulated subsidiary company of a large United States Security Brokerage company called Refco Inc. Vipasa International Investment Corporation ("Vipasa") a Cayman registered entity which has substantially the same controlling shareholders as Bancafe deposited into this account certain bonds and securities. Vipasa also maintained an account in its own name with RCM.

2. Based on disclosures by the principals of Bancafe to the Central Bank of Barbados along with documents recovered from Bancafe's legal counsel and documents provided by counsel for the Chapter 11 Trustee of RCM (RCM Trustee) the Custodian believes that on June 27 and June 30 of 2003 Vipasa purchased on a highly leveraged basis from RCM a significant value of bonds and other securities through Sale and Repurchase Agreements "Repos" under which RCM, agreed to repurchase the securities from Vipasa at an agreed price either at a stated time or on an open callable basis. Vipasa then transferred the said securities to Bancafe's account with RCM. Vipasa continued to trade through its own account with RCM while controlling the deposit and sale of securities through the Bancafe account. The purpose of these transfers has not yet been determined however the consequence was that Bancafe's balance sheet was considerably strengthened as the securities held in the Bancafe account were declared as assets of Bancafe.
3. At the time of the transfer to the Bancafe account the bonds and securities were subject to the Repos. Our investigations have further revealed that RCM wanted to further ensure the effectiveness of their "repo" rights, given the transfer to another holder i.e. Bancafe, and to that end procured from Bancafe a direct "guarantee" of Vipasa's debt liability to RCM (the "Guarantee") dated June 23, 2003. A copy of the said Guarantee is now shown to me attached hereto as Exhibit "PwC 1". I say further that on August 25, 2005, a second so named "Guarantee" was executed between Bancafe and RCM. A copy of this said Guarantee is now shown to me attached hereto as marked Exhibit "PwC 2". The Custodian's examination of the related documents in this matter to date has shown that the encumbrances on these securities held on the balance sheet of Bancafe were not disclosed until 2006 when they were disclosed to the Barbados Regulators.
4. On October 17, 2005 Refco Inc. and 23 affiliated companies including RCM filed for Chapter 11 bankruptcy protection in New York "The Refco Bankruptcy" documents filed in the said bankruptcy proceedings disclose that the assets of RCM are being realised and distributed under a US Bankruptcy Code Chapter 11 plan which has been approved by the US Court. The US Court has ruled that Refco is a stockbroker and that the rules of distribution specific to stockbrokers apply. Under these rules the securities held by RCM will be realised and distributed, net of costs, pro-rata to the clients of RCM based on the market value of the securities held at the date of the bankruptcy filing. The filings in the bankruptcy proceeding also disclose that as there was a shortfall in the securities that were supposed to be held for clients there will result in a less than full distribution. The current estimate is that ultimately the recovery will be the range of 70-80% of claims as admitted.
5. On July 14 and 22 respectively, 2006 two claims were filed by Bancafe in the Refco Bankruptcy in the amounts of US\$207,934,212.52 and US\$173,559.39,

i.e. the value of securities at the time held in the Bancafe Account. Copies of these claims are now shown to me attached hereto as "PwC 3".

6. The RCM Trustee filed a motion before the Bankruptcy Courts on November 17, 2006 seeking among other things to establish the amount of certain claims held by creditors of RCM and to establish a procedure to make interim distributions to creditors based upon the amounts of those claims. All creditors objecting to their individual distribution proposed by the Trustee were required to file an objection and their issues would be decided later in the process which could potentially be protracted.
7. In the said motion the RCM Trustee sought to reduce one of Bancafe's claims from US\$207,934,212.52 as shown on the extracted claims sheet in Exhibit PwC 3 to a net of US\$45,834,343.99. The reduction arises as follows:
 - a. The RCM Trustee first proposed to reduce the value of the Bancafe asset value claim from US\$207,934,212.52 to US\$201,530,777.07. In later discussions with representatives of the RCM Trustee, this difference was determined to be the net result of market valuation adjustments made by the experts engaged to value all the securities held by clients of RCM. At the time of the revaluation, the experts could not readily determine market values for two securities in the Bancafe account and; therefore, these securities were assigned no value at all.
 - b. The RCM Trustee then sought to exercise RCM's rights under the "guarantees" executed between Bancafe and RCM and to set off the value of the Repos entered into between RCM and Vipasa. The amount owed by Vipasa to RCM was determined by the RCM Trustee to be US\$155,696,433.08. This amount varied from the records held by RCM by approximately \$1,700,000.00 and, again, was later determined to have resulted from the revaluation of the securities performed by experts engaged by the RCM Trustee.
8. In a presentation conducted by the Directors of Bancafe to the Central Bank of Barbados on April 21, 2006 the Directors of Bancafe acknowledged Bancafe's acceptance of Vipasa's liability to RCM and state therein "*Although BIB may have defenses to the guaranty, it is likely that Vipasa's debt will ultimately be set off against BIB's claim*". A copy of the presentation document is now shown to me attached hereto exhibited hereto as "PwC4".
9. On November 17, 2006, Bancafe's attorney in the United States, De La Pena & Associates ("De La Pena"), a legal firm in Miami, wrote the Central Bank of Barbados detailing their understanding of the potential set off being proposed by the Refco Trustee. In this letter shown to me attached hereto as Exhibit "PwC 5", De La Pena conclude their discussion on page 4 as follows "*Although there are*

defenses to a setoff which could be asserted, for example regarding the validity of the guaranty or the maturity of the debt (agreed repayment terms for which were presented to the Central Bank on October 17), it is likely that the RCM Trustee would succeed in forcing a netting of the accounts." The Custodian has also determined that Bancafe, through De La Pena, had engaged and consulted with experienced bankruptcy law counsel in New York to explore its position in the Refco Bankruptcy.

10. A hearing on the Trustee's distribution motion was set down for December 21, 2006 in a US Bankruptcy Court. Upon appointment on November 27, 2006 by this Honourable Court, the Custodian retained expert US bankruptcy counsel in Miami for the purposes of recovering assets in Florida. They in turn referred us to bankruptcy counsel in New York to obtain advice on protecting and optimising Bancafe's interest in the Refco Bankruptcy from a technical legal prospective. The Custodian also approached the RCM Trustee directly with respect to the valuation of the claim and the variances with the claim as filed by Bancafe.
11. Due to the short time frame between the appointment of the Custodian, and the deadline for filing objections to the proposed distribution of December 12, 2006, the Custodian was unable to come to a conclusive position on the proposed set off, nor was it able to agree to the Vipasa loan balance and therefore as a precaution, and subsequent to an extension granted by the RCM Trustee of the December 12 deadline, an Objection was filed with the US Bankruptcy Court on December 19, 2006 to the RCM Trustee's proposed motion.
12. Over a period of several days immediately before and after the Christmas holidays, the RCM Trustee provided the Custodian with account statements from RCM for the Bancafe account for the period June 2003 to October 17, 2005 and for Vipasa, for the period from February 2005 to October 17, 2005 the date at which RCM underwent Chapter 11 Bankruptcy protection. The RCM Trustee also provided a copy of the "Guarantees" executed by Bancafe and other related documentation.
13. The Custodian has spent a substantial amount of time reviewing and analysing the various statements provided by the RCM Trustee and discussing them with both the Trustee's counsel, and with former RCM employees familiar with the manner in which the statements were prepared and formatted.
14. As a result we are satisfied that:
 - a. The account statements substantiate the balance of the Vipasa loan of US\$155,696,433.08;
 - b. Movement through the Vipasa account have been tracked on a test basis and tied into securities purchased for the benefit of Bancafe;

- c. The Custodian has no contrary information which would give rise to a challenge of quantum of the funds advanced by the RCM to Vipasa; and
- d. The list of securities owned by Bancafe and valued by the RCM Trustee was confirmed with information from Bancafe's records.

15. However the Custodian was of the view that certain securities had either been undervalued or not valued where value existed.

16. Through research and investigation into the securities in question, the Custodian was able to demonstrate to the RCM Trustee's office that there is in fact additional value attributable to the previously unvalued securities, part of which has offset the loans extended under the guarantee, and part of which increased the market value of securities, with the net effect of raising the net value of the claim of Bancafe by approximately US\$5.7 million.

17. The RCM Trustee has agreed that Bancafe's claim can be eligible to be part of the distribution process at the increased amount and has funds available to make the first distribution under the US Court approved plan. The net amount of Bancafe's claims are now US\$51,535,143.99 and US\$173,559.39 and Bancafe is presently eligible for a prorated dividend representing 52.81% of the claims which is approximately US\$27.2 million. Subject to approval by the New York Bankruptcy Court the RCM Trustee will distribute this improved amount to the Custodian. A copy of the Draft Stipulation and Order of the United States Bankruptcy Court Southern District of New York evidencing the same is now shown to me attached hereto as "PwC 6".

18. The Custodian has reviewed the issues of Bancafe's interest in the bonds and securities in its account at RCM, at length both with its US general counsel (Astigarraga Davis) who in turn consulted with the bankruptcy counsel engaged by Bancafe (Kirkland & Ellis LP) and with our own New York bankruptcy counsel (Clifford Chance US LLP) considering:

- a. The "guarantees" themselves;
- b. The other remedies that might be available to the RCM Trustee to achieve the same set-off result;
- c. The manner in which the bonds and securities were deposited into the Bancafe account at RCM and the interest Bancafe acquired as a result;
- d. The New York Bankruptcy Court proceedings and where those proceedings stood and the realities of intervening in that process;

- e. Bancafe's own view of enforceability as expressed in its report to Central Bank;
- f. Bancafe's counsel's view of enforceability as expressed in his letter to Central Bank;
- g. The suggestion that the "guarantee" was ultra vires and could be set aside; and
- h. The likely time, costs, venue, and resources required, including potential bond requirements, for litigation.

19. Having given consideration to all the above issues it is the view of the Custodian that:

- a. The grounds on which the "Guarantee" signed by Bancafe in respect of the debt owed by Vipasa to RCM could be challenged, are difficult and uncertain and that to do so would incur significant cost in the winding up, delay the recovery of imminent distributions from the RCM proceeding, and hence delay distributions to the depositors of Bancafe and that the strength of the grounds do not justify the risks;
- b. That the values as now agreed with the RCM Trustee are a fair reflection of Bancafe's interest in the bonds and securities in its account with RCM;

20. In order to ensure that Bancafe's claims are handled by the RCM Trustee in the first interim distribution, which could occur as early as the middle of January 2007, it is imperative that the Custodian provide the RCM Trustee with this Honourable Courts ratification with respect to the agreement reached between the Custodian and the RCM Trustee.

21. Further the Custodian has been advised by local counsel and verily believes that it needs the Order of this Honourable Court to approve the compromise or release of any claim, the amount of which exceeds \$100,000.00.

22. It is the Custodian's position that while the agreement on the claims will end the matter between Bancafe and the RCM Trustee, as an arms length parties, it still leaves the matter open for a claim by Bancafe against Vipasa whose debt was guaranteed, and the Custodian is actively exploring this possibility with counsel.

THE CUSTODIAN'S NEED FOR AN EXTENSION

23. The Custodian has been duly advised by local counsel of its need to comply with the time limits set out by the IFSA. In particular Section 83 (1) which provides

that the Custodian is to deliver a statement of account to any depositors and other creditors of Bancafe within 60 days of its appointment.

24. While the Custodian is making its best effort to comply with the same it is unable to do so as it has been unable to access the majority of the books and records of Bancafe, which are held in Guatemala.
25. Bancafe maintained its accounting and customer records on a file server in Guatemala, with several other companies, which formed a financial services group called Banco del Café SA.
26. While Bancafe is under investigation in Guatemala the investigation does not include all members of the Banco del Café SA group. As such the Custodian was advised by counsel in Guatemala that it would not be readily granted access to the file server as this would allow access to confidential information of other companies in the Group.
27. The Custodian has been further advised by Guatemalan counsel and verily believes that Guatemalan law has certain requirements which need to be satisfied before it can be granted access to the same. In this regard the Custodian, with the aid of its local counsel and its counsel in Guatemala is in the process of having a Rogatory letter issued from the High Court in Barbados to request that the Custodian be given assistance by the Guatemalan Courts in obtaining the requisite information to comply with the IFSA.
28. The Custodian has been advised of the nature of this procedure by both local and Guatemalan Counsel and does not expect the Guatemalan Courts to receive and or consider the aid request at the earliest the end of March 2007.
29. In the circumstance the Custodian prays that its statutory timeline obligations be each extended for a period of 120 days.

SWORN TO by the deponent, the said
CHRISTOPHER SAMBRANO)
at the Registry Office, Law Courts,
Coleridge Street on the 19th day)
of January, 2007)



Before me:

.....
Legal Assistant (os)

This Affidavit was filed by Messrs. Clarke Gittens & Farmer Attorneys-at-Law for the Applicant whose address for service is Parker House, Wildey Business Park, Wildey, St. Michael.

BARBADOS

No. 2092 of 2006

**IN THE HIGH COURT OF JUSTICE
CIVIL DIVISION**

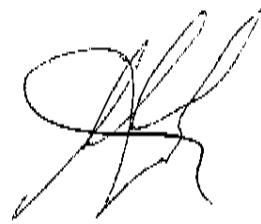
**IN THE MATTER of Bancafe International
Bank Ltd**

**AND IN THE MATTER of the International
Financial Services Act Cap 325 of the laws
of Barbados**

EXHIBIT "PwC 1 - PwC 6"

These are true copies of the documents marked Exhibits "PwC 1 – PwC 6" mentioned and referred to in the Affidavit.

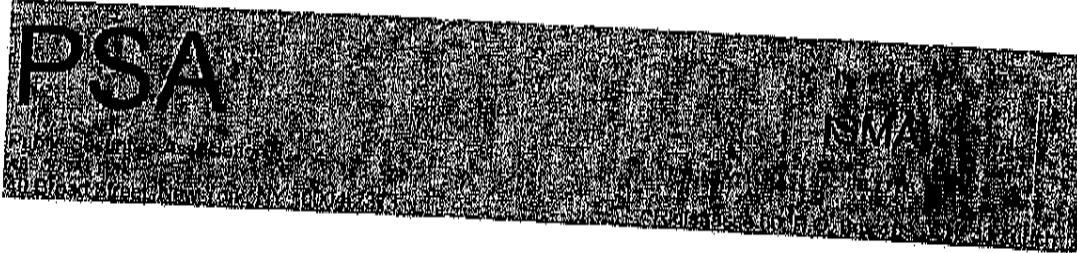
SWORN TO by the deponent, the said
CHRISTOPHER SAMBRANO)
at the Registry Office, Law Courts,
Coleridge Street on the 19th day)
of January, 2007)



Before me:

.....
Legal Assistant (as)

EXHIBIT PwC 1



VERSION 1
GROSS PAYING SECURITIES

GLOBAL MASTER REPURCHASE AGREEMENT

This agreement is to be used for repos or reverse repos and buy/sell backs of securities
other than equities, U.S. Treasury Instruments and Net Paying Securities

Dated as of June 27, 2003

Between:

Refco Capital Markets, Ltd. ("Party A")
and

Bancafe International Bank, Ltd. ("Party B")

1. Applicability

(a) From time to time the parties hereto may enter into transactions in which one party, acting through a Designated Office, ("Seller") agrees to sell to the other, acting through a Designated Office, ("Buyer") securities and financial instruments ("Securities") (other than equities, U.S. Treasury Instruments and Net Paying Securities) against the payment of the purchase price by Buyer to Seller, with a simultaneous agreement by Buyer to sell to Seller Securities equivalent to such Securities at a date certain or on demand against the payment of the purchase price by Seller to Buyer.

(b) Each such transaction (which may be a repurchase transaction ("Repurchase Transaction") or a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing. If this Agreement may be applied to such Buy/Sell Back Transactions, this shall be specified in Annex I, and the provisions of Annex III shall apply to such Buy/Sell Back Transactions. If Transactions are to be effected under this Agreement by either party as an agent, this shall be specified in Annex I, and the provisions of Annex IV shall apply to such Agency Transactions.

2. Definitions

(a) "Act of Insolvency" shall occur with respect to any party hereto upon:

- (i) its making a general assignment for the benefit of, or entering into a reorganisation, arrangement, or composition with creditors; or
- (ii) its admitting in writing that it is unable to pay its debts as they become due; or
- (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
- (iv) the presentation or filing of a petition in respect of it (other than by the counterparty to this Agreement in respect of any obligation under this Agreement) in any court or before any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-

adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply) not having been stayed or dismissed within 30 days of its filing; or

- (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such party or over all or any material part of such party's property; or
- (vi) the convening of any meeting of its creditors for the purposes of considering a voluntary arrangement as referred to in section 3 of the Insolvency Act 1986 (or any analogous proceeding);

(b) **"Agency Transaction"**, the meaning specified in paragraph 1 of Annex IV hereto;

(c) **"Base Currency"**, the currency indicated in Annex I hereto;

(d) **"Business Day"**:

- (i) in relation to the settlement of any Transaction which is to be settled through Cedel or Euroclear, a day on which Cedel or, as the case may be, Euroclear is open to settle business in the currency in which the Purchase Price and the Repurchase Price are denominated;
- (ii) in relation to the settlement of any Transaction which is to be settled through a settlement system other than Cedel or Euroclear, a day on which that settlement system is open to settle such Transaction;
- (iii) in relation to any delivery of Securities not falling within (i) or (ii) above, a day on which banks are open for business in the place where delivery of the relevant Securities is to be effected; and
- (iv) in relation to any obligation to make a payment not falling within (i) or (ii) above, a day other than a Saturday or a Sunday on which banks are open for business in the principal financial centre of the country of which the currency in which the payment is denominated is the official currency and, if different, in the place where any account designated by the parties for the making or receipt of the payment is situated (or, in the case of ECU, a day on which ECU clearing operates);

(e) **"Cash Margin"**, a cash sum paid to Buyer or Seller in accordance with paragraph 4;

(f) **"Cedel"**, Cedel Bank, société anonyme;

(g) **"Confirmation"**, the meaning specified in paragraph 3(b);

(h) **"Contractual Currency"**, the meaning specified in paragraph 7(a);

(i) **"Defaulting Party"**, the meaning specified in paragraph 10;

(j) **"Default market Value"**, with respect to any Securities on any date:

- (i) in the case of Securities to be delivered to the Defaulting Party,
 - (aa) if the non-Defaulting Party has between the occurrence of the relevant Event of Default and the Default Valuation Time (as defined below) sold Securities forming part of the same issue and being of an identical type and description to those Securities and in substantially the same amount as those Securities, the net proceeds of sale (after deducting all reasonable costs, fees and expenses incurred in connection therewith) and
 - (bb) failing such sale before the Default Valuation Time, the Market Value of such Securities at the Default Valuation Time;
- (ii) in the case of Securities to be delivered by the Defaulting Party,
 - (aa) if the non-Defaulting Party has between the occurrence of the relevant Event of Default and the Default Valuation Time purchased Securities forming part of the same issue and being of an identical type and description to those Securities and in substantially

the same amount as those Securities, the cost of such purchase (including all reasonable costs, fees and expenses incurred in connection therewith) and

(bb) failing such purchase before the Default Valuation Time, the amount it would cost to buy such Securities at the Default Valuation Time at the best available offer price therefor (and where different offer prices are available for different delivery dates, such offer price in respect of the earliest available such delivery date) on the most appropriate market, together with all reasonable costs, fees and expenses that would be incurred in connection therewith (calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the Transaction).

in each case as determined by the non-Defaulting Party; and for this purpose the "Default Valuation Time" means, with respect to any Securities

(A) if the relevant Event of Default occurs during normal business hours on a day which is a dealing day in the most appropriate market for Securities of the relevant description (as determined by the non-Defaulting Party), the close of business in that market on the following dealing day;

(B) in any other case, the close of business on the second dealing day in that market after the day on which the relevant Event of Default occurs;

Where the amount of any Securities sold or purchased as mentioned in (i)(aa) or (ii)(aa) above is not identical to that of the Securities to be valued for the purposes of this definition, the Default Market Value of those Securities shall be ascertained by dividing the net proceeds of sale or cost of purchase by the amount of the Securities sold or purchased so as to obtain a net unit price and multiplying that net unit price by the amount of the Securities to be valued;

(k) "**Default Notice**", a written notice served by the non-Defaulting Party on the Defaulting Party under paragraph 10 stating that an event shall be treated as an Event of Default for the purposes of this Agreement;

(l) "**Designated Office**", with respect to a party, a branch or office of that party which is specified as such in Annex I hereto or such other branch or office as may be agreed to by the Parties;

(m) "**Distributions**", the meaning specified in the sub-paragraph(s) below;

(n) "**Equivalent Margin Securities**", Securities equivalent to Securities previously transferred as Margin Securities;

(o) "**Equivalent Securities**", with respect to a Transaction, Securities equivalent to Purchased Securities under that Transaction. If and to the extent that such Purchased Securities have been redeemed the expression shall mean a sum of money equivalent to the proceeds of the redemption;

(p) Securities are "**equivalent to**" other Securities for the purposes of this Agreement if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other Securities;

(q) "**Euroclear**", Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System;

(r) "**Event of Default**", the meaning specified in paragraph 10 hereof;

(s) "**Income**", with respect to any Security at any time, all interest, dividends or other distributions thereon ("**Distributions**");

(t) "**Income Payment Date**", with respect to any Securities, the date on which Income is paid in respect of such Securities, or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income;

(u) "**LIBOR**", in relation to any sum in any currency, the one-month London Inter Bank Offered Rate in respect of that currency as quoted on Page 3750 on the Telerate Service (or other such page as may replace Page 3750 on that service) as of 11:00 a.m., London time, on the date on which it is to be determined;

- (v) "**Margin Ratio**", with respect to a Transaction, the Market Value of the Purchased Securities at the time when the Transaction was entered into divided by the Purchase Price (and so that, where a Transaction relates to Securities of different descriptions and the Purchase Price is apportioned by the parties among Purchased Securities of each such description, a separate Margin Ratio shall apply in respect of Securities of each such description), or such other proportion as the parties may agree with respect to that Transaction;
- (w) "**Margin Securities**", in relation to a Margin Transfer, Securities reasonably acceptable to the party calling for such Margin Transfer;
- (x) "**Margin Transfer**", any, or any combination, of the payment or repayment of Cash Margin and the transfer of Margin Securities or Equivalent Margin Securities;
- (y) "**Market Value**", with respect to any Securities as of any time on any date, the price for such Securities at such time on such date obtained from a generally recognised source agreed to by the parties (and where different prices are obtained for different delivery dates, the price so obtainable for the earliest available such delivery date) (provided that the price of Securities that are suspended for the purposes of paragraph 4) be nil unless the parties otherwise agree and (for all other purposes) shall be the price of those Securities as of close of business on the dealing day in the as of such date, has accrued but not yet been paid in respect of the Securities to the extent not included in such price as of such date, and for these purposes any sum in a currency other than the Contractual Currency for the Transaction in question shall be converted into such Contractual Currency at the Spot Rate prevailing at the relevant time;
- (z) "**Net Exposure**", the meaning specified in paragraph 4(c)
 - (aa) the "**Net Margin**" provided to a party at any time, the excess (if any) at that time of (i) the sum of the amount of Cash Margin paid to that party (including accrued interest on such Cash Margin which has not been paid to the other party) and the Market Value of Margin Securities transferred to that party under paragraph 4(a) (excluding any cash Margin which has been repaid to the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred to the other party) over (ii) the sum of the amount of Cash Margin paid to the other party (including accrued interest on such Cash Margin which has not been paid by the other party) and the Market Value of Margin Securities transferred to the other party under paragraph 4(a) (excluding any Cash Margin which has been repaid by the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred by the other party) and for this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the relevant time;
 - (bb) "**Net Paying Securities**", Securities which are of a kind such that, were they to be the subject of a Transaction to which paragraph 5 applies, any payment made by Buyer under paragraph 5 would be one in respect of which either Buyer would or might be required to make a withholding or deduction for or on account of taxes or duties or Seller would or might be required to make or account for a payment for or on account of taxes or duties (in each case other than tax on overall net income) by reference to such payment;
 - (cc) "**New Purchased Securities**", the meaning specified in paragraph 8(a) of this Agreement;
 - (dd) "**Price Differential**", with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction (on a 360 day basis or 365 day basis in accordance with the applicable ISMA convention, unless otherwise agreed between the parties for the Transaction), for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of calculation or, if earlier, the Repurchase Date;
 - (ee) "**Pricing Rate**", with respect to any Transaction, the per annum percentage rate for calculation of the Price Differential agreed to by Buyer and Seller in relation to that Transaction;

- (ff) "**Purchase Date**", with respect to any Transaction, the date on which Purchased Securities are to be sold by Seller to Buyer in relation to that Transaction;
- (gg) "**Purchase Price**", on the Purchase Date, the price at which Purchased Securities are sold or are to be sold by Seller to Buyer;
- (hh) "**Purchased Securities**", with respect to any Transaction, the Securities sold or to be sold by Seller to Buyer under that Transaction, and any New Purchased Securities transferred by Seller to Buyer under paragraph 8 of this Agreement in respect of that Transaction;
- (ii) "**Repurchase Date**", with respect to any Transaction, the date on which Buyer is to sell Equivalent Securities to Seller in relation to that Transaction;
- (jj) "**Repurchase Price**", with respect to any Transaction and as of any date, the sum of the Purchase Price and the Price Differential as of such date;
- (kk) "**Spot Rate**", where an amount in one currency is to be converted into a second currency on any date, unless the parties otherwise agree, the spot rate of exchange quoted by Barclays Bank PLC in the London inter bank market for the sale by it of such second currency against a purchase by it of such first currency;
- (ll) "**Term**", with respect to any Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date;
- (mm) "**Termination**", with respect to any Transaction, refers to the requirement with respect to such Transaction for Buyer to sell Equivalent Securities against payment by Seller of the Repurchase Price in accordance with paragraph 3(f), and references to a Transaction having a "**fixed term**" or being "**terminable upon demand**" shall be construed accordingly;
- (nn) "**Transaction Exposure**", with respect to any Transaction at any time during the period from the Purchase Date to the Repurchase Date (or, if later, the date on which Equivalent Securities are delivered to Seller or the Transaction is terminated under paragraph 10(e) or 10(f)), the difference between (i) the Repurchase Price at such time multiplied by the applicable Margin Ratio (or, where the Transaction relates to Securities of more than one description to which different Margin Ratios apply, the amount produced by multiplying the Repurchase Price attributable to Equivalent Securities of each such description by the applicable Margin Ratio and aggregating the resulting amounts, the Repurchase Price being for this purpose attributed to Equivalent Securities of each such description in the same proportions as those in which the Purchase Price was apportioned among the Purchased Securities) and (ii) the Market Value of Equivalent Securities at such time. If (i) is greater than (ii), Buyer has a Transaction Exposure for that Transaction equal to that excess. If (ii) is greater than (i), Seller has a Transaction Exposure for that Transaction equal to that excess; and
- (oo) except in paragraphs 14(b)(i) and 18, references in this Agreement to "**written**" communications and communications "**In writing**" include communications made through any electronic system agreed between the parties which is capable of reproducing such communications in hard copy form.

3. Initiation; Confirmation; Termination

- (a) A Transaction may be entered into orally or in writing at the initiation of either Buyer or Seller.
- (b) Upon agreeing to enter into a Transaction hereunder Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party written confirmation of such Transaction (a "**Confirmation**").

The Confirmation shall describe the Purchased Securities (including CUSIP or CINS or other identifying number or numbers, if any), identify Buyer and Seller and set forth-

- (i) the Purchase Date;
- (ii) the Purchase Price;

- (iii) the Repurchase Date, unless the Transaction is to be terminable on demand (in which case the Confirmation will state that it is terminable on demand);
- (iv) the Pricing Rate applicable to the Transaction;
- (v) in respect of each party the details of the bank account(s) to which payments to be made hereunder are to be credited;
- (vi) where Annex III applies, whether the Transaction is a Repurchase Transaction or a Buy/Sell Back Transaction;
- (vii) where Annex IV applies, whether the Transaction is an Agency Transaction and, if so, the identity of the party which is acting as agent and the name, code or identifier of the Principal; and
- (viii) any additional terms or conditions of the Transaction;

and may be in the form of Annex II hereto or may be in any other form which the parties agree.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute *prima facie* evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.

- (c) On the Purchase Date for a Transaction, Seller shall transfer the Purchased Securities to Buyer or its agent against the payment of the Purchase Price by Buyer.
- (d) Termination of a Transaction will be effected, in the case of on demand Transactions, on the date specified for Termination in such demand, and, in the case of fixed term Transactions, on the date fixed for Termination.
- (e) In the case of on demand Transactions, demand for Termination shall be made by Buyer or Seller, by telephone or otherwise, and shall provide for Termination to occur after not less than the minimum period as is customarily required for the settlement or delivery of money or Equivalent Securities of the relevant kind.
- (f) On the Repurchase Date, Buyer shall transfer to Seller or its agent Equivalent Securities against the payment of the Repurchase Price by Seller (less any amount then payable and unpaid by Buyer to Seller pursuant to paragraph 5).

4. Margin Maintenance

- (a) If at any time either party has a Net Exposure in respect of the other party it may by notice to the other party require the other party to make a Margin Transfer to it of an aggregate amount or value at least equal to that Net Exposure.
- (b) A notice under sub-paragraph (a) above may be given orally or in writing.
- (c) For the purposes of this Agreement a party has a Net Exposure in respect of the other party if the aggregate of all the first party's Transaction Exposure plus any amount payable to the first party under paragraph 5 but unpaid less the amount of any Net Margin provided to the first party exceeds the aggregate of all the other party's Transaction Exposures plus any amount payable to the other party under paragraph 5 but unpaid less the amount of any Net margin provided to the other party; and the amount of the Net Exposure is the amount of the excess. For this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the relevant time.
- (d) To the extent that a party calling for a Margin Transfer has previously paid Cash Margin which has not been repaid or delivered Margin Securities in respect of which Equivalent Margin Securities have not been delivered to it, that party shall be entitled to require that such Margin Transfer be satisfied first by the repayment of such Cash Margin or the delivery of Equivalent Margin Securities but, subject to this, the composition of a Margin Transfer shall be at the option of the party making such Margin Transfer.

- (e) Any Cash Margin transferred shall be in the Base Currency or such other currency as the parties may agree.
- (f) A payment of Cash Margin shall give rise to a debt owing from the party receiving such payment to the party making such payment. Such debt shall bear interest at such rate, payable at such times, as may be specified in Annex I in respect of the relevant currency or otherwise agreed between the parties, and shall be repayable subject to the terms of this Agreement.
- (g) Where Seller or Buyer becomes obliged under sub-paragraph (a) above to make a Margin Transfer, it shall transfer Cash Margin or Margin Securities or Equivalent Margin Securities within the minimum period specified in Annex I or, if no period is there specified, such minimum period as is customarily required for the settlement or delivery of money, Margin Securities or Equivalent Margin Securities of the relevant kind.
- (h) The parties may agree that, with respect to any Transaction, the provisions of sub-paragraphs (a) to (g) above shall not apply but instead that margin may be provided separately in respect of that Transaction in which case -
 - (i) that Transaction shall not be taken into account when calculating whether either party has a Net Exposure;
 - (ii) margin shall be provided in respect of that Transaction in such manner as the parties may agree; and
 - (iii) margin provided in respect of that Transaction shall not be taken into account for the purposes of sub-paragraphs (a) to (g) above.
- (i) The parties may agree that any Net Exposure which may arise shall be eliminated not by Margin Transfers under the preceding provisions of this paragraph but by the repricing of Transactions under sub-paragraph (j) below, the adjustment of Transactions under sub-paragraph (k) below or a combination of both those methods.
- (j) Where the parties agree that a Transaction is to be repriced under this sub-paragraph, such repricing shall be effected as follows -
 - (i) the Repurchase Date under the relevant Transaction (the "*Original Transaction*") shall be deemed to occur on the date on which the repricing is to be effected (the "*Repricing Date*")
 - (ii) the parties shall be deemed to have entered into a new Transaction (the "*Repriced Transaction*") on the terms set out in (iii) to (vi) below;
 - (iii) the Purchased Securities under the Repriced Transaction shall be Securities equivalent to the Purchased Securities under the Original Transaction;
 - (iv) the Purchase Date under the Repriced Transaction shall be the Repricing Date;
 - (v) the Purchase Price under the Repriced Transaction shall be such amount as shall, when multiplied by the Margin Ratio applicable to the Original Transaction, be equal to the Market Value of such Securities on the Repricing Date;
 - (vi) the Repurchase Date, the Pricing Rate, the Margin Ratio and, subject as aforesaid, the other terms of the Repriced Transaction shall be identical to those of the Original Transaction;
 - (vii) the obligations of the parties with respect to the delivery of the Purchased Securities and the payment of the Purchase Price under the Repriced Transaction shall be set off against their obligations with respect to the delivery of Equivalent Securities and payment of the Repurchase Price under the Original Transaction and accordingly only a net cash sum shall be paid by one party to the other. Such net cash sum shall be paid within the period specified in sub-paragraph (g) above.
- (k) The adjustment of a Transaction (the "*Original Transaction*") under this sub-paragraph shall be effected by the parties agreeing that on the date on which the adjustment is to be made (the "*Adjustment Date*") the Original Transaction shall be terminated and they shall enter into a new Transaction (the "*Replacement Transaction*") in accordance with the following provisions -

- (i) the Original Transaction shall be terminated on the Adjustment Date on such terms as the parties shall agree on or before the Adjustment Date;
- (ii) the Purchased Securities under the Replacement Transaction shall be such Securities as the parties shall agree on or before the Adjustment Date (being Securities the aggregate Market Value of which at the Adjustment Date is substantially equal to the Repurchase Price under the Original Transaction at the Adjustment Date multiplied by the Margin Ratio applicable to the Original Transaction);
- (iii) the Purchase Date under the Replacement Transaction shall be the Adjustment Date;
- (iv) the other terms of the Replacement Transaction shall be such as the parties shall agree on or before the Adjustment Date; and
- (v) the obligations of the parties with respect to payment and delivery of Securities on the Adjustment Date under the Original Transaction and the Replacement Transaction shall be settled in accordance with paragraph 6 within the minimum period specified in sub-paragraph (g) above.

5. Income Payments

Unless otherwise agreed -

- (i) where the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction, Buyer shall on the date such Income is paid by the issuer transfer to or credit to the account of Seller an amount equal to (and in the same currency as) the amount paid by the issuer;
- (ii) where Margin Securities are transferred from one party ("the first party") to the other party ("the second party") and an Income Payment Date in respect of such Securities occurs before Equivalent Margin Securities are transferred by the second party to the first party, the second party shall on the date such Income is paid by the issuer transfer to or credit to the account of the first party an amount equal to (and in the same currency as) the amount paid by the issuer;

and for the avoidance of doubt references in this paragraph to the amount of any Income paid by the issuer of any Securities shall be to an amount paid without any withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction.

6. Payment and Transfer

- (a) Unless otherwise agreed, all money paid hereunder shall be in immediately available, freely convertible funds of the relevant currency. All Securities to be transferred hereunder (i) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (ii) shall be transferred through the book entry system of Euroclear or Cede, or (iii) shall be transferred through any other agreed securities clearance system, or (iv) shall be transferred by any other method mutually acceptable to Seller and Buyer.
- (b) Unless otherwise agreed, all money payable by one party to the other in respect of any Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed, the paying party shall pay such additional amounts as will result in the net amounts receivable by the other party (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.
- (c) Unless otherwise agreed in writing between the parties, under each Transaction transfer of Purchased Securities by Seller and payment of Purchase Price by Buyer against the transfer of such Purchased Securities shall be made simultaneously and transfer of Equivalent Securities by Buyer and payment of Repurchase Price payable by Seller against the transfer of such Equivalent Securities shall be made simultaneously.

- (d) Subject to and without prejudice to the provisions of sub-paragraph 8(c), either party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities and money waive in relation to any Transaction its rights under this Agreement to receive simultaneous transfer and/or payment provided that transfer and/or payment shall, notwithstanding such waiver, be made on the same day and provided also that no such waiver in respect of one Transaction shall affect or bind it in respect of any other Transaction.
- (e) The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, any Equivalent Securities, any Margin Securities and any Equivalent Margin Securities shall pass to the party to which transfer is being made upon transfer of the same in accordance with this Agreement, free from all liens, claims, charges and encumbrances.
- (f) Notwithstanding the use of expressions such as "*Repurchase Date*", "*Repurchase Price*", "*margin*", "*Net Margin*", "*Margin Ratio*", and "*substitution*" which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, all right, title and interest in and to Securities and money transferred or paid under this Agreement shall pass to the transferee upon transfer or payment, the obligation of the party receiving Purchased Securities or Margin Securities being an obligation to transfer Equivalent Securities or Equivalent Margin
- (g) Time shall be of the essence in this Agreement.
- (h) Subject to paragraph 10, all amounts in the same currency payable by each party to the other under any Transaction or otherwise under this Agreement on the same date shall be combined in a single calculation of a net sum payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.
- (i) Subject to paragraph 10, all Securities of the same issue, denomination, currency and series, transferable by each party to the other under any Transaction or hereunder on the same date shall be combined in a single calculation of a net quantity of Securities transferable by one party to the other and the obligation to transfer the net quantity of Securities shall be the only obligation of either party in respect of the Securities so transferable and receivable.

7. Contractual Currency

- (a) All the payments made in respect of the Purchase Price or the Repurchase Price of any Transaction shall be made in the currency of the Purchase Price (the "*Contractual Currency*") save as provided in paragraph 10(c)(ii). Notwithstanding the foregoing, the payee of any money may, at its option, accept tender thereof in any other currency, provided, however, that, to the extent permitted by applicable law, the obligation of the payer to pay such money will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) for delivery within the customary delivery period for spot transactions in respect of the relevant currency.
- (b) If for any reason the amount in the Contractual Currency received by a party, including amounts received after conversion of any recovery under any judgement or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due and payable, the party required to make the payment will, as a separate and independent obligation, to the extent permitted by applicable law, immediately transfer such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.
- (c) If for any reason the amount in the Contractual Currency received by a party exceeds the amount of the Contractual Currency due and payable, the party receiving the transfer will refund promptly the amount of such excess.

8. Substitution

- (a) A Transaction may at any time between the Purchase Date and the Repurchase Date, if Seller so requests and Buyer so agrees, be varied by the transfer by Buyer to Seller of Securities equivalent to the Purchased Securities, or to such of the Purchased Securities as shall be agreed, in exchange for the transfer by Seller to Buyer of other Securities of such amount and description as shall be agreed

(*"New Purchased Securities"*) (being Securities having a Market Value at the date of the variation at least equal to the Market Value of the Equivalent Securities transferred to Seller).

- (b) Any variation under sub-paragraph (a) above shall be effected, subject to paragraph 6(d), by the simultaneous transfer of the Equivalent Securities and New Purchased Securities concerned.
- (c) A Transaction which is varied under sub-paragraph (a) above shall thereafter continue in effect as though the Purchased Securities under that Transaction consisted of or included the New Purchased Securities instead of the Securities in respect of which Equivalent Securities have been transferred to Seller.
- (d) Where either party has transferred Margin Securities to the other party it may at any time before transfer Equivalent Margin Securities to it in exchange for the transfer to the other party of new Margin Securities having a Market Value at the time of transfer at least equal to that of such Margin Securities. If the other party agrees to the request, the exchange shall be effected, subject to paragraph 6(d), by the simultaneous transfer of the Equivalent Margin Securities and new Margin Securities concerned. Where either or both of such transfers is or are effected through a settlement system in circumstances which under the rules and procedures of that settlement system give rise to a payment by or for the account of one party to or for the account of the other party, the parties shall cause such payment or payments to be made outside that settlement system, for value the same day as the payments made through that settlement system, as shall ensure that the exchange of Equivalent Margin Securities and new Margin Securities effected under this sub-paragraph does not give rise to any net payment of cash by either party to the other.

9. Representations

Each party represents and warrants to the other that -

- (a) it is duly authorised to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and thereunder and has taken all necessary action to authorise such execution, delivery and performance;
- (b) it will engage in this Agreement and the Transactions contemplated hereunder (other than Agency Transactions) as principal;
- (c) the person signing this Agreement on its behalf is, and any person representing it in entering into a Transaction will be, duly authorised to do so on its behalf;
- (d) it has obtained all authorisations of any governmental or regulatory body required in connection with this Agreement and the Transactions contemplated hereunder and such authorisations are in full force and effect;
- (e) the execution, delivery and performance of this Agreement and the Transactions contemplated hereunder will not violate any law, ordinance, charter, bye-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected;
- (f) it has satisfied itself and will continue to satisfy itself as to the tax implications of the Transactions contemplated hereunder;
- (g) in connection with this Agreement and each Transaction:
 - (i) unless there is a written agreement with the other party to the contrary, it is not relying on any advice (whether written or oral) of the other party, other than the representations expressly set out in this Agreement;
 - (ii) it has made and will make its own decisions regarding the entering into of any Transaction based upon its own judgement and upon advice from such professional advisers as it has deemed it necessary to consult;
 - (iii) it understands the terms, conditions and risks of each Transaction and is willing to assume (financially and otherwise) those risks;

- (h) at the time of transfer to the other party of any Securities it will have the full and unqualified right to make such transfer and that upon such transfer of Securities the other party will receive all right, title and interest in and to those Securities free of any lien, claim, charge or encumbrance; and
- (i) the paying and collecting arrangements applied in relation to any Securities prior to their transfer from that party to the other under this Agreement will not have resulted in the payment of any Income in respect of such Securities to the party transferring such Securities under deduction or withholding for or on account of UK tax.

On the date on which any Transaction is entered into pursuant hereto, and on each day on which Securities, Equivalent Securities, Margin Securities or Equivalent Margin Securities are to be transferred under any Transaction, Buyer and Seller shall each be deemed to repeat all the foregoing representations. For the avoidance of doubt and notwithstanding any arrangements which Seller or Buyer may have with any third party, each party will be liable as a principal for its obligations under this Agreement and each Transaction.

10. Events of Default

- (a) If any of the following events (each an "*Event of Default*"") occurs in relation to either party (the "*Defaulting Party*", the other party being the "*non-Defaulting Party*") whether acting as Seller or Buyer -
 - (i) Buyer fails to pay the Purchase Price upon the applicable Purchase Date or Seller fails to pay the Repurchase Price upon the applicable Repurchase Date, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (ii) Seller or Buyer fails to comply with paragraph 4 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (iii) Seller or Buyer fails to comply with paragraph 5 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (iv) an Act of Insolvency occurs with respect to Seller or Buyer and (except in the case of an Act of Insolvency which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (v) any representations made by Seller or Buyer are incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (vi) Seller or Buyer admits to the other that it is unable to, or intends not to, perform any of its obligations hereunder and/or in respect of any Transaction and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (vii) Seller or Buyer is suspended or expelled from membership of or participation in any securities exchange or association or other self regulating organisation, or suspended from dealing in securities by any government agency, or any of the assets of either Seller or Buyer or the assets of investors held by, or to the order of, Seller or Buyer are transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
 - (viii) Seller or Buyer fails to perform any other of its obligations hereunder and does not remedy such failure within 30 days after notice is given by the non-Defaulting Party requiring it to do so, and the non-Defaulting Party serves a Default Notice on the Defaulting Party;

then sub-paragraphs (b) to (d) below shall apply.

- (b) The Repurchase Date for each Transaction hereunder shall be deemed immediately to occur and, subject to the following provisions, all Cash Margin (including interest accrued) shall be immediately repayable and Equivalent Margin Securities shall be immediately deliverable (and so that, where this sub-paragraph applies, performance of the respective obligations of the parties with respect to the delivery of Securities, the payment of the Repurchase Prices for any Equivalent Securities and the

repayment of any Cash Margin shall be effected only in accordance with the provisions of sub-paragraph (c) below).

- (c) (i) The Default Market Values of the Equivalent Securities and any Equivalent Margin Securities to be transferred, the amount of any Cash Margin (including the amount of interest accrued) to be transferred and the Repurchase Prices to be paid by each party shall be established by the non-Defaulting Party for all Transactions as at the Repurchase Date; and
 - (ii) on the basis of the sums so established, an account shall be taken (as at the Repurchase Date) of what is due from each party to the other under this Agreement (on the basis that each party's claim against the other in respect of the transfer to it of Equivalent Securities or Equivalent Margin Securities under this Agreement equals the Default Market Value therefore) and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable (by the party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be due and payable on the next following Business Day. For the purposes of this calculation, all sums not denominated in the Base Currency shall be converted into the Base Currency on the relevant date at the Spot Rate prevailing at the relevant time.
- (d) The Defaulting Party shall be liable to the non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the non-Defaulting Party in connection with or as a consequence of an Event of Default, together with interest thereon at LIBOR or, in the case of an expense attributable to a particular Transaction, the Pricing Rate for the relevant Transaction if that Pricing Rate is greater than LIBOR.
- (e) If Seller fails to deliver Purchased Securities to Buyer on the applicable Purchase Date Buyer may -
 - (i) if it has paid the Purchase Price to Seller, require Seller immediately to repay the sum so paid;
 - (ii) if Buyer has a Transaction Exposure to Seller in respect of the relevant Transaction, require Seller from time to time to pay Cash Margin at least equal to such Transaction Exposure;
 - (iii) at any time while such failure continues, terminate the Transaction by giving written notice to Seller. On such termination the obligations of Seller and Buyer with respect to delivery of Purchased Securities and Equivalent Securities shall terminate and Seller shall pay to Buyer an amount equal to the excess of the Repurchase Price at the date of Termination over the Purchase Price.
- (f) If Buyer fails to deliver Equivalent Securities to Seller on the applicable Repurchase Date Seller may -
 - (i) if it has paid the Repurchase Price to Buyer, require Buyer immediately to repay the sum so paid;
 - (ii) if Seller has a Transaction Exposure to Buyer in respect of the relevant Transaction, require Buyer from time to time to pay Cash Margin at least equal to such Transaction Exposure;
 - (iii) at any time while such failure continues, by written notice to Buyer declare that Transaction (but only that Transaction) shall be terminated immediately in accordance with sub-paragraph (c) above (disregarding for this purpose references in that sub-paragraph to transfer of Cash Margin and delivery of Equivalent Margin Securities).
- (g) The provisions of this Agreement constitute a complete statement of the remedies available to each party in respect of any Event of Default.
- (h) Neither party may claim any sum by way of consequential loss or damage in the event of a failure by the other party to perform any of its obligations under this Agreement.
- (i) Each party shall immediately notify the other if an Event of Default, or an event which, upon the serving of a Default Notice, would be an Event of Default, occurs in relation to it.

11. Tax Event

- (a) This paragraph shall apply if either party notifies the other that -

- (i) any action taken by a taxing authority or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a party to this Agreement); or
- (ii) a change in the fiscal or regulatory regime (including, but not limited to, a change in law or in the general interpretation of law but excluding any change in any rate of tax) has or will, in the notifying party's reasonable opinion, have a material adverse effect on that party in the context of a Transaction.

- (b) If so requested by the other party, the notifying party will furnish the other with an opinion of a suitably qualified adviser that an event referred to in sub-paragraph (a)(i) or (ii) above has occurred and affects the notifying party.
- (c) Where this paragraph applies, the party giving the notice referred to in sub-paragraph (a) may, subject to sub-paragraph (d) below, terminate the Transaction with effect from a date specified in the notice, not being earlier (unless so agreed by the other party) than 30 days after the date of the notice, by nominating that date as the Repurchase Date.
- (d) If the party receiving the notice referred to in sub-paragraph (a) so elects, it may override that notice by giving a counter-notice to the other party. If a counter-notice is given, the party which gives the counter-notice will be deemed to have agreed to indemnify the other party against the adverse effect referred to in sub-paragraph (a) so far as relates to the relevant Transaction and the original Repurchase Date will continue to apply.
- (e) Where a Transaction is terminated as described in this paragraph, the party which has given the notice to terminate shall indemnify the other party against any reasonable legal and other professional expenses incurred by the other party by reason of the termination, but the other party may not claim any sum by way of consequential loss or damage in respect of a termination in accordance with this paragraph.
- (f) This paragraph is without prejudice to paragraph 6(b) (obligation to pay additional amounts if withholding or deduction required); but an obligation to pay such additional amounts may, where appropriate, be a circumstance which causes this paragraph to apply.

12. Interest

To the extent permitted by applicable law, if any sum of money payable hereunder or under any Transaction is not paid when due, interest shall accrue on such unpaid sum as a separate debt at the greater of the Pricing Rate for the Transaction to which such sum relates (where such sum is referable to a Transaction) and LIBOR on a 360 day basis or a 365 day basis in accordance with the applicable ISMA convention, for the actual number of days during the period from and including the date on which payment was due to, but excluding, the date of payment.

13. Single Agreement

Each party acknowledges that, and has entered into this Agreement and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and are made in consideration of each other.

Accordingly, each party agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, and (ii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder.

14. Notices and Other Communications

- (a) Any notice or other communication to be given under this Agreement -
 - (i) shall be in the English language and, except where expressly otherwise provided in this Agreement, shall be in writing;
 - (ii) may be given in any manner described in sub-paragraph (b) below;

- (iii) shall be sent to the party to whom it is to be given at the address or number, or in accordance with the electronic messaging details, set out in Annex V.
- (b) Any such notice or other communication shall be effective -
 - (i) if in writing and delivered in person or by courier, at the time when it is delivered;
 - (ii) if sent by telex, at the time when the recipient's answer back is received;
 - (iii) if sent by facsimile transmission, at the time when the transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
 - (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), at the time when that mail is delivered or its delivery is attempted;
 - (v) if sent by electronic messaging system, at the time that electronic message is received;
- except that any notice or communication which is received, or delivery of which is attempted, after close of business on the date of receipt or attempted delivery or on a day which is not a day on which commercial banks are open for business in the place where that notice or other communication is to be given shall be treated as given at the opening of business on the next following day which is such a day.
- (c) Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

15. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for Transactions. Each provision and agreement herein shall be treated as separate from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

16. Non-assignability; Termination

- (a) Subject to sub-paragraph (b) below, the rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned, charged or otherwise dealt with by either party without the prior written consent of the other party. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.
- (b) Sub-paragraph (a) above shall not preclude a party from assigning, charging, or otherwise dealing with all or any part of its interest in any sum payable to it under paragraph 10(c) or (d) above.
- (c) Either party may terminate this Agreement by giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.
- (d) All remedies hereunder shall survive Termination in respect of the relevant Transaction and termination of this Agreement.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of England. Buyer and Seller hereby irrevocably submit for all purposes of or in connection with this Agreement and each Transaction to the jurisdiction of the Courts of England.

Party A hereby appoints the person identified in Annex VI hereto as its agent to receive on its behalf service of process in such courts. If such agent ceases to be its agent, Party A shall promptly appoint, and notify Party B of the identity of, a new agent in England.

Party B hereby appoints the person identified in Annex VII hereto as its agent to receive on its behalf service of process in such courts. If such agent ceases to be its agent, Party B shall promptly appoint, and notify Party A of the identity of, a new agent in England.

November 1995

Nothing in this paragraph shall limit the right of any party to take proceedings in the courts of any other country of competent jurisdiction.

18. No Waivers, etc

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such modification, waiver or consent shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to sub-paragraph 4(a) hereof will not constitute a waiver of any right to do so at a later date.

19. Waiver of Immunity

Each party hereto hereby waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment (both before and after judgement) and execution to which it might otherwise be entitled in any action or proceeding in the Courts of England or of any other country or jurisdiction, relating in any way to this Agreement or any Transaction, and agrees that it will not raise, claim or cause to be pleaded any such immunity at or in respect of any such action or proceeding.

20. Recording

The parties agree that each may electronically record all telephone conversations between them.

Signatory for "Party A"

Refco Capital Markets, Ltd.

By: Walter Peters
Name: WALTER PETERS
Title: Authorized Signatory
Date: 7/7/03

Signatory for "Party B"

Bancafe International Bank, Ltd.

By: Ariel Canargo ◀
Name: Ariel Canargo
Title: Executive Vice President
Date: 27-06-2003

ANNEX I (1)

Supplemental Terms or Conditions

Paragraph references are to paragraphs in the Agreement.

1. The following elections shall apply:

- (a) paragraph 1. Buy/Sell Back Transactions may be effected under this Agreement, and accordingly Annex III will apply.
- (b) paragraph 1. Agency Transactions may be effected under this Agreement, and accordingly Annex IV will apply unless otherwise expressly agreed between the parties in writing in a Confirmation or otherwise.
- (c) paragraph 2(c). The Base Currency shall be U.S. Dollars
- (d) paragraph 2(l).

Party A may act through any of the following Designated Offices:-

- (i) Hamilton, Bermuda; and
- (ii) Refco Securities, LLC as agent, in accordance with paragraph 2 (a) of this Annex.

Party B may act through any of the following Designated Offices:- Guatemala

- (e) paragraph 2(s). For the avoidance of doubt, if Securities in any Transaction include Italian government bonds, the income in respect of such Italian government bonds shall exclude any amount deducted for or on account of tax at source and any tax credits or refunds in respect of Distributions (if any) on such Italian government bonds.
- (f) paragraph 2(y). The pricing source for calculation of Market Value shall be agreed between the parties, and may be any generally accepted pricing source for the relevant Securities.
- (g) paragraph 2(kk). Spot Rate to be agreed between the parties.
- (h) paragraph 3(b). Both parties to deliver Confirmation.
- (i) paragraph 4(f). Interest rate on Cash Margin to be determined by the parties.

Interest on Cash Margin shall be payable at the intervals and on the dates agreed between the parties in writing prior to payment of the relevant Cash Margin.

- (j) paragraph 4(g). Delivery period for margin calls to be:
 - (i) for Cash Margin, the same day if the call is made before 12:00 noon (Bermuda time) otherwise next Business Day,
 - (ii) for Margin Securities and Equivalent Margin Securities: within one business day, within two New York Business Days;

unless, in either case, the parties expressly agree in writing to a different period at the time of the margin call.

2. The following Supplemental Terms and Conditions shall apply:
 - (a) Party A may act through Refco Securities, LLC ("RSL") as agent for Party A in respect of any Transaction, in which event:
 - (i) any such Transaction shall be governed by the terms of the Agreement;
 - (ii) Party A shall be bound as principal by the terms of any such Transaction;
 - (iii) RSL does not guaranty this Transaction;
 - (iv) any payment made by Party B to RSL or to RSL's order in satisfaction of the whole or part of Party B's obligations to Party A under any such Transaction shall fully discharge the whole or such part (as the case may be) of Party B's obligations to Party A under such Transaction;
 - (v) Party A and RSL are both wholly-owned subsidiaries of the Refco Group Ltd., LLC a U.S. corporation. RSL is a U.S. corporation registered as a broker-dealer with the U.S. Securities and Exchange Commission. Party A is a Bermuda Corporation. If Party B is a U.S. person or entity, RSL introduces your Transaction to Party A as agent for both Party A and Party B under SEC Rule 15 a-6. If Party B is a non-U.S. person or entity, RSL introduces Party B's Transaction to Party A; and
 - (vi) Party B acknowledges and agrees that a portion of the compensation Refco receives for effecting Transactions hereunder (including, without limitation, any mark-ups or mark-downs charged by Refco) may be paid to RSL, along with any agency fee that RSL may charge.
 - (b) All repurchase transactions entered into between Party A and Party B prior to the date of the Agreement which are outstanding at the date of the Agreement are hereby deemed to be entered into pursuant to the Agreement and are governed by its terms.
 - (c) All buy and sell back transactions entered into between Party A and Party B prior to the date of the Agreement which are outstanding at the date of the Agreement are hereby deemed to be entered into pursuant to the Agreement and are governed by its terms.
 - (d) Paragraph 10(a). The word "or" shall be added at the end of paragraph 10(a)(vii) and the following paragraph shall be inserted in paragraph 10(a) after paragraph 10(a)(viii):
 - (ix) Seller or Buyer is in default under any Specified Transaction and any applicable grace period has elapsed and there occurs any liquidation or early termination of, or acceleration of obligations under, that Specified Transaction, or the Defaulting Party (or any trustee, receiver, liquidator, conservator, administrator, custodian or other similar official acting on its behalf) disaffirms, disclaims or repudiates the whole or any part of a Specified Transaction, and in each case the non-Defaulting Party serves a Default Notice on the Defaulting Party; for the purposes of this paragraph "Specified Transaction" means (1) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement and any other party including without limitation the other party to this Agreement which is a Repurchase Transaction, a Buy/Sell Back Transaction, a securities lending transaction, or any other similar transaction and (2) any combination of these transactions;".
 - (e) Paragraph 17 (Governing Law). This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to choice of law issues), and the parties hereby submit to the non-exclusive jurisdiction of courts located in the Borough of Manhattan in New York City.
 - (f) Each party shall deliver to the other the following documents promptly after executing the Agreement:

Party A: evidence of capacity to transact; signing authority
Party B: evidence of capacity to transact; signing authority

U.S. Treasury Instruments

- (g) The heading to the Agreement is amended by deleting the words "U.S. Treasury Instruments" in the third line thereof.
- (h) Paragraph 1(a) is amended by deletion of the words " U.S. Treasury Instruments" in the third/fourth line thereof.
- (i) Paragraph 2(d)(i) is amended by the replacement of the word "or" with a comma in the first line thereof and by the addition of the words "or the Federal Reserve Bank of New York" after the first word "Euroclear" in the second line thereof and by the addition of the words "or, as the case may be, the Federal Reserve Bank of New York" after the second word "Euroclear" in the second line thereof.
- (j) Paragraph 2(d)(ii) is amended by the addition of the words "or the Federal Reserve Bank of New York" after the word "Euroclear" in the second line thereof.
- (k) There shall be added to Paragraph 6 of the Agreement a new sub-Paragraph 6(j) as follows:- "In respect of Transactions involving U.S.Treasury instruments, in order for the Buyer to obtain payment of any Income from the issuer free of US withholding tax, the Seller agrees to deliver to the Buyer (or, if applicable, to the appropriate tax authority) any certificate or document reasonably requested by the Buyer that would entitle it to an exemption from such withholding or deduction."
- (l) In the event that the Seller shall fail to comply with the provisions of this sub-Paragraph 6(l), references to the amount of income paid by the issuer of any Securities in sub-Paragraph 5 shall be deemed to be the amount actually paid by the issuer after such deduction or withholding and moreover the Buyer shall be relieved from any obligation to pay an additional amount pursuant to sub-Paragraph 8(b) which may result from such withholding or deduction."

Use of Employee Plan Assets

- (m) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.
- (n) Subject to the last sentence of 2(p) above, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.
- (o) By entering into a Transaction pursuant to these provisions, Seller shall be deemed (i) to represent to Buyer that since the date of the Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

(p) **Additional Termination Event(s)".** The following shall constitute Additional Termination Event: with respect to Party B, Party A retains the right to Close-Out or take any action it deems appropriate (in which case Party B shall be a Defaulting Party) if deemed reasonably necessary for its protection, subject to the terms and provisions set forth in the Customer Securities Agreement between the parties

Additional Provisions

The following paragraphs (e), (f) and (g) shall be added to Section 8:

(e) In the case of any Transaction for which the Repurchase Date is not the Business Day immediately following the Purchase Date and with respect to which Seller does not have any existing right to vary the Transaction, Seller shall have the right (subject to the proviso to this sub-paragraph) by notice to Buyer (such notice to be given at or prior to 10:00 AM (New York time) on that Business Day) to vary Transaction in accordance with sub-paragraphs (a) and (b) above, provided however that Buyer may elect by close of business on the Business Day notice is received (or by close of business on the next Business Day if notice is received after 10:00 AM (New York time) on that day) not to vary that Transaction. If Buyer elects not to vary the Transaction, Seller shall have the right, by notice to Buyer, to terminate the Transaction on the Business Day specified in that notice, such Business Day (unless the parties otherwise agree) not to be later than two Business Days after the date of the notice.

(f) If Seller exercises its right to vary the Transaction or to terminate the Transaction under sub-paragraph (e) above, notwithstanding paragraph 10(h), Seller shall be required to pay to Buyer by close of business on the Business Day of such variation or termination an amount equal to -

(i) Buyer's actual cost (including all fees, expenses and commissions) of (aa) entering into replacement transactions; (bb) entering into or terminating hedge transactions; and (cc) terminating or varying transactions with third parties in connection with or as a result of such variation or termination; and

(ii) to the extent that Buyer party does not enter into replacement transactions, the loss incurred by Buyer directly arising or resulting from such variation or termination,

in each case as determined and calculated in good faith by Buyer.

(g) Where one party (the "Requesting Party") has requested the other party to transfer Equivalent Margin Securities to it in exchange for the transfer to the other party of new Margin Securities in accordance with paragraph 8(d) but the other party does not agree to the request, if the Requesting Party so elects by written notice specifying the Equivalent Margin Securities are to be transferred (such Business Day (unless the parties otherwise agree) not to be later than two Business Days after the date of the notice) the other party shall, unless otherwise agreed, transfer those Equivalent Margin Securities to the Requesting Party in exchange for the transfer to the other party of Cash Margin of an amount equal to the Market Value of the Equivalent Margin Securities so transferred."

ANNEX I (2)**Supplemental terms and conditions applicable in respect of equities**

This Annex constitutes an Annex to the PSA/ISMA Global Master Repurchase Agreement (the "Agreement") dated June 27, 2003 between Refco Capital Markets, Ltd. ("Party A") and Bancafe International Bank, Ltd. ("Party B"):

1. Scope

1.1 The parties have agreed that the Transactions to which the Agreement applies may include Transactions in respect of which the Purchased Securities or Margin Securities consist of or include equities and the terms and conditions of this Part of this Annex shall apply to such Transactions.

2. Interpretation**2.1 For the purposes of this Annex and the Agreement;**

- (a) "equities" and "equity securities" include shares or stock in the share capital of a corporation, whether ordinary shares or preference shares or other kinds of shares or stock;
- (b) "Equivalent Margin Securities" shall mean, in relation to Margin Securities which are equities and which are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalization issue, rights issue or event similar to any of the foregoing, the following:
 - (i) in the case of conversion, subdivision or consolidation, securities equivalent to the securities into which the Margin Securities have been converted, subdivided or consolidated provided that, if appropriate, notice has been given in accordance with paragraph 3.5(ii) of this Part of this Annex;
 - (ii) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
 - (iii) in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration of which the party which transferred the relevant Margin Securities has given notice to the other party in accordance with paragraph 3.5(ii) of this Part of this Annex;
 - (iv) in the case of a call on partly paid securities, securities equivalent to the paid-up securities provided that the party which transferred the relevant Margin Securities shall have paid to the other party a sum of money equal to the sum due in respect of the call;
 - (v) in the case of a capitalization issue, securities equivalent to the Margin securities together with the securities allotted thereby;
 - (vi) in the case of a rights issue, securities equivalent to the Margin Securities together with the securities allotted thereon provided that the party which transferred the relevant Margin Securities has given notice to the other party in accordance with paragraph 3.5(ii) of this Part of this Annex and has paid to the other party all and any sums due in respect thereof;

- (vii) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities equivalent to the Margin Securities together with securities or a certificate or an entitlement equivalent to those allotted provided that notice has been given in accordance with paragraph 3.5(ii) of this Part of this Annex;
- (viii) in the case of any event similar to any of the foregoing, securities equivalent to the Margin Securities together with or replaced by a sum of money or securities or other property equivalent to that received in respect of such Margin Securities resulting from such event;

(c) "Equivalent Securities" shall mean, in relation to Purchased Securities which are equities and which are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalization issue, rights issue or event similar to any of the foregoing, the following:

- (i) in the case of conversion, subdivision or consolidation, securities equivalent to the securities into which the Purchased Securities have been converted, subdivided or consolidated provided that, if appropriate, notice has been given in accordance with paragraph 3.5(ii) of this Part of this Annex;
- (ii) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (iii) in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration of which the Seller has given notice to the Buyer in accordance with Paragraph 3.5(ii) of this Part of this Annex;
- (iv) in the case of a call on partly paid securities, securities equivalent to the paid-up securities provided that the Seller shall have paid to the Buyer a sum of money equal to the sum due in respect of the call;
- (v) in the case of a capitalization issue, securities equivalent to the Purchased Securities together with the securities allotted by way of bonus thereon;
- (vi) in the case of a rights issue, securities equivalent to the Purchased Securities together with the securities allotted thereon provided that the Seller has given notice to the Buyer to take up in accordance with paragraph 3.5(ii) of this Part of this Annex and has paid to the Buyer all and any sums due in respect thereof;
- (vii) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities equivalent to the Purchased Securities together with securities or a certificate or an entitlement equivalent to those allotted provided that notice has been given in accordance with paragraph 3.5(ii) of this Part of this Annex;
- (viii) in the case of any event similar to any of the foregoing, securities equivalent to the Purchased Securities together with or replaced by a sum of money or securities or other property equivalent to that received in respect of such Purchased Securities resulting from such event;

(d) for the avoidance of doubt, "Income" does not include any distribution included within the meaning of the term Equivalent Margin Securities.

3. Amendments

- 3.1 In relation to Transactions to which this Annex applies, the Agreement shall be construed as if it had been amended and supplemented as set out in paragraphs 3.2 to 3.9 of this Part of this Annex.
- 3.2 The title of the Agreement and Paragraph 1(a) of the Agreement shall be construed as if the references in them to "equities" had been deleted.
- 3.3 Subject as otherwise provided in this Annex or as otherwise agreed between the parties, where Income paid or distributed by the issuer of Purchased Securities or Margin Securities is not in the form of money but is in the form of other property, the obligation of a party under Paragraph 5 of the Agreement to pay to the other party an amount equal to the amount paid by the issuer shall be construed as an obligation to transfer property equivalent to that distributed by the issuer.
- 3.4 The existing Paragraph 5 of the Agreement shall be replaced by the following:

"5. Income Payments

- (a) Unless otherwise agreed:
 - (i) where the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction which are not equities, Buyer shall, on the date such Income is paid by the Issuer, transfer to or credit to the account of Seller an amount equal to (and in the same currency as) the amount paid by the issuer;
 - (ii) where Margin Securities which are not equities are transferred from one party ("the first party") to the other party ("the second party") and an Income Payment Date in respect of such Securities occurs before Equivalent Margin Securities are transferred by the second party to the first party, the second party shall, on the date such Income is paid by the Issuer, transfer to or credit to the account of the first party an amount equal to (and in the same currency as) the amount paid by the issuer;
- and for the avoidance of doubt references in this sub-paragraph to the amount of any Income paid by the issuer of any Securities shall be to an amount paid without any withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction.
- (b) (i) Unless otherwise agreed, where the Purchased Securities the subject of a transaction consist of or include equities in respect of which an Income Payment date would, but for this provision, occur during the Term of such Transaction, Seller shall seek to effect a substitution of such equities in accordance with paragraph 8(a) before the Notice Date referred to in sub-paragraph (b)(ii), but if such a substitution has not been effected by that date then Termination of such Transaction shall, provided that Seller has notified Buyer of such Termination in accordance with sub-paragraph (b)(iii), occur on, and, accordingly, the Repurchase Date of such Transaction shall fall on, the Business Day immediately preceding such Income Payment Date.
- (ii) Unless otherwise agreed and except to the extent that Equivalent Margin Securities in respect of the relevant Margin Securities have already been transferred, where one party (the "transferor") has transferred Margin Securities which are equities to the other (the "transferee") then, on the Business Day preceding the next Income Payment Date in respect of such Margin Securities, the transferee shall transfer to the transferor Equivalent Margin Securities in respect of such Margin Securities in exchange for new Margin Securities as if such transfers were made pursuant to a request under paragraph 8(d) to which the transferee had agreed. Provided that (aa) the transferor has given notice to the transferee in

accordance with sub-paragraph (b)(iii) of the application of this (b)(ii) and (bb) the transferor has provided reasonable details of the transferee of the Margin Securities in question, the relevant Income Payment Date and the new Margin Securities to be exchanged for such Equivalent Margin Securities and the transferee has indicated to the transferor that such new Margin Securities are acceptable to it.

- (iii) Any notice given pursuant to sub-paragraphs (b)(i) or (b)(ii) above shall not be valid unless given so as to be effective, at the latest, one hour before the close of business on the last Business Day (the "Notice Date") on which the recipient would customarily be required to initiate settlement of such securities to be transferred by it pursuant to such notice in order for settlement to take place on the Business Day immediately preceding the relevant Income Payment Date.
- (iv) Nothing in this sub-paragraph (b) shall prejudice any entitlement of either party to terminate a Transaction in any other manner permitted by the Agreement.
- (c) Unless otherwise agreed between the parties, where (notwithstanding, and without prejudice to, sub-paragraph (b) above) Equivalent Securities in respect of Purchased Securities which are equities or, as the case may be, Equivalent Margin Securities in respect of Margin Securities which are equities have not been transferred by Buyer to Seller or the transferee to the transferor prior to an Income Payment Date in respect of such Securities, sub-paragraph (a) above shall not apply in respect of such Securities, but instead Buyer shall or, as the case may be, the transferee shall, on the date Income is paid by the issuer of those Securities, transfer to or credit to the account of Seller or, as the case may be, the transferor:
 - (i) an amount equal to (and in the same currency as) so much of such Income attributable to such Securities as is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it had been the holder of such securities on such Income Payment date) paid in cash by the issuer to the holder;
 - (ii) an amount equal to such amount, if any, in respect of tax or tax benefit as Buyer of the transferee is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it has been the holder of such Securities on such Income Payment Date) entitled to claim or recover in cash from the issuer's jurisdiction in respect of such Income payment;
- (d) Provided that, unless otherwise agreed between the parties, if Buyer or, as the case may be, the transferee has failed to make reasonable efforts to transfer the relevant Equivalent Securities or Equivalent Margin Securities prior to such Income Payment Date in circumstances where the Proviso to sub-paragraph (b)(i) above or, as the case may be, sub-paragraph (b)(ii) has been satisfied, then, instead of transferring or crediting the amount referred to in sub-paragraphs (i) and (ii) of this sub-paragraph (c), Buyer or, as the case may be, the transferee shall indemnify Seller or, as the case may be, the transferor in respect of any cost, loss or damage (excluding, for the avoidance of doubt, any consequential loss or damage) suffered by such person which it would not have suffered had the relevant Equivalent Securities or Equivalent Margin Securities been transferred prior to such Income Payment Date.
- (d) Where Buyer or, as the case may be, the transferee is required by law to make any taxes or duties, and as a result would, but for this sub-paragraph, be required to pay additional amounts under paragraph 6(b) of the Agreement, unless otherwise agreed between the parties, it shall only be obliged to pay such additional amounts to the extent that it could, in the relevant circumstances, have avoided, satisfied or off-set the relevant obligation to withhold or deduct (or to account for the tax withheld or deducted) by utilizing

any available tax credit in respect of the relevant Securities (or transactions relating to them)."

3.5 In relation to Purchased Securities, or Margin Securities which are equities (and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred) Buyer, in the case of Purchased Securities, or the transferee of such Securities, in the case of Margin securities, shall notify the other party (as soon as practicable but in any event within two Business Days after the day on which a holder of such Securities would in the normal course have received such notice from the issuer) of any notice issued by the issuer of such Securities to the holders of such Securities relating to any proposed conversion, subdivision, consolidation, takeover, pre-emption, option or other similar right or event affecting such Securities or of any income payment declared in respect of such Securities. Whether or not such notice is received from the first party, the other party may:

- (i) where the relevant Securities are Purchased securities, cause the Transaction to be terminated in accordance with paragraphs 3(d), (e) and (f) of the Agreement as if the Transaction were an on demand Transaction or, where the relevant Securities are Margin Securities, request that Equivalent Margin Securities be transferred in respect of such Securities to paragraph 8(d) of the Agreement; and/or (as appropriate)
- (ii) within a reasonable time before the latest time for the exercise of the right or option give written notice to the first party that on redelivery of Equivalent Securities or Equivalent Margin Securities, as the case may be, it wishes to receive Equivalent Securities or Equivalent Margin Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.

3.6 Where any voting rights fail to be exercised in relation any Purchased Securities or Margin Securities which are equities and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred, Buyer, in the case of Purchased Securities, or the transferee, in the case of Margin Securities, shall use its best endeavors to arrange for voting rights of that kind to be exercised in relation to the relevant number of securities of that kind in accordance with the instructions of the other party provided that it holds such Securities and the other party shall have notified the Buyer or the transferee, as the case may be, of its instructions in writing no later than seven Business Days prior to the date upon which such votes are exercisable or as otherwise agreed between the parties. For the avoidance of doubt the parties agree that subject as herein before provided any voting rights attaching to the relevant Purchased Securities or Margin Securities shall be exercisable by the persons in whose name they are registered or in the case of such securities in bearer form, the persons by or on behalf they are held, and not necessarily by the Buyer or Seller (as the case may be).

3.7 Seller shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with the transfer of Purchased Securities which are equities and any Equivalent Securities in respect thereof and shall reimburse to Buyer the amount of any liability incurred by it as a result of Seller's failure to do so.

3.8 Where Margin Securities which are equities are transferred by one party to the other, the transferor (the first party) shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with such transfer as well as in connection with any subsequent transfer as well as in connection with any subsequent transfer by the transferee (the second party) of equivalent Margin Securities in respect thereof to the first party and shall reimburse to the second party the amount of any liability by the second party as a result of the first party's failure to do so.

3.9 In relation to Transaction to which this Annex applies and unless otherwise agrees, where any Purchased securities, Equivalent securities, Margin Securities, or Equivalent Margin Securities are transferred through a settlement system which automatically generates a payment or delivery, or obligation to pay or deliver, against the transfer of such securities, then:

- (i) such automatically generated payment, delivery or obligation shall be treated as a payment or delivery by the transferee to the transferor, and except to the extent that it is applied to discharge an obligation of the transferee to effect a payment or delivery, such payment or delivery, or obligation to pay or deliver, shall be deemed to be a Margin transfer made by the transferee; and
- (ii) unless the parties shall have agreed otherwise, the party receiving such Margin Transfer shall cause to be made to the other party for value the same day either, where such Margin Transfer is a payment, an irrevocable delivery of Securities (or other property, as the case may be) equivalent thereto.

ANNEX I (3)

Emerging Market Securities

The following Supplemental Terms and Conditions shall apply to Transactions over Emerging Markets Securities (as defined below) and references to "Securities" in this Part 3 of Annex I shall be interpreted accordingly:

1. Without prejudice to any other term of the Agreement (as amended or supplemented by the Annexes thereto) the Parties agree that if any Securities have been suspended from their principal trading market or Buyer is unable to obtain a market value for such securities from or if there are technical problems with a generally recognized source:
 - 1.01 their value for the purposes of paragraph 4 only shall be nil; and
 - 1.02 the Buyer shall be obliged to deliver to the Seller such suspended Securities upon delivery to the Buyer of other Securities in an amount which shall satisfy the condition of paragraph 4.

In the event that the Buyer is, for any reason, unable to effect delivery of such suspended Securities to Seller, Buyer agrees that it will hold such suspended Securities in a separate account in the name of the Seller and on trust for the benefit of the Seller, the same constituting property of the Seller upon delivery to the Buyer of the relevant Additional Purchased Securities.

2. If, during the course of any Transaction, under this Agreement, there has occurred any of the following:
 - 2.01 either the country of incorporation of either party hereto ("the Domicile Country") or the country of issue of the Securities ("the Issuing Country") is or becomes engaged in hostilities or there shall be a declaration of national emergency, or there shall occur a disaster or material escalation of civil unrest that would constitute a national emergency, or there shall be an imposition of martial law, or there shall be a declaration of war by the Issuing Country or by the Domicile Country or suspension of convertibility of currency or devaluation of currency, or
 - 2.02 there shall have occurred a fall in the value of the Securities of more than 25% (or such other percentage as the parties may agree with respect to a given Transaction) based on the original Purchase Price:

then:

 - (i) In the event that the relevant party under 2.01 is the Seller, the Buyer shall have the right, exercisable by written notice to the Seller, to accelerate the Repurchase Date to any Business Day selected by the Buyer, such date to be a date which is within five (5) Business Days of the date of such notice delivered by the Buyer to the Seller.
 - (ii) In the event that the relevant party in 2.01 above is the Buyer, then the Seller shall have the right to accelerate the Repurchase Date as if the above paragraph referred to the Seller instead of to the Buyer, *mutatis mutandis*.
 - (iii) with respect to 2.02, the Buyer shall have the right, exercisable by written notice to the Seller, to accelerate the Repurchase Date to any Business Day selected by the Buyer, such date to be a date which is within five (5) Business Days of the date of such notice delivered by the Buyer to the Seller.

None of the events detailed in clauses 2.01 or 2.02 shall of themselves constitute an Event of Default but failure by either party to re-deliver Securities or Equivalent Securities or make any payment in connection with its obligation under this clause 2 shall be an Event of Default for the purpose of paragraph 10.

3. Notwithstanding any other provision hereof, on the occurrence of an Act of Insolvency by either party the Repurchase Date shall be deemed to occur immediately on the date of such Act of Insolvency without need for notice.
4. The pricing source for calculation of Market Value shall be as agreed between the parties.
5. In this Part 3 of Annex I, Emerging Market Securities shall mean any securities save those issued in the countries set out below:

Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States of America or as otherwise agreed between the parties.

Annex II

Form of Confirmation

To: _____

From: _____

Date: _____

Subject: [Repurchased] [Buy/Sell]* Transaction
(Reference Number: _____)

Dear Sirs,

The purpose of this [letter]/[facsimile]/[telex] is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Contract Date referred to below.

This confirmation supplements and forms part of, and is subject to, the Global Master Repurchase Agreement as entered into between us as of [] as the same may be amended from time to time (the Agreement). All provisions contained in the Agreement govern this confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in the confirmation shall have the same meaning herein as in the Agreement.

1. Contract Date:
2. Purchased Securities [state type[s] and nominal value[s]]:
3. CUSIP, CINS or other identifying number(s):
4. Buyer:
5. Seller:
6. Purchase Date:
7. Purchase Price:
8. Contractual Currency:
9. Repurchase Date:*
10. Terminable on demand:*
11. Pricing Rate:
12. Sell Back Price:*
13. Buyer's Bank Account(s) Details:
14. Seller's Bank Account(s) Details:
15. The Transaction is an Agency Transaction. [Name of Agent] is acting as agent for [name or identifier of Principal]*
16. Additional Terms:*

Yours faithfully,

* delete as appropriate

ANNEX III

Buy/Sell Back Transactions

1. In the event of any conflict between the terms of this Annex III and any other term of the Agreement, the terms in this Annex shall prevail.
2. Each Transaction shall be identified at the time it is entered into and in the Confirmation relating to it as either a Repurchase Transaction or a Buy/Sell Back Transaction.
3. In the case of a Buy/Sell Back Transaction the Confirmation delivered in accordance with paragraph 3 of the Agreement may consist of a single document in respect of both of the transactions which together form the Buy/Sell Back Transaction or separate Confirmations may be delivered in respect of each such transaction. Such Confirmations may be in the form of Annex II to the Agreement except that, subject to paragraph 5 below, such Confirmations shall not include the item specified in paragraph 10 of Annex II.
4. The following definitions shall apply to Buy/Sell Back Transactions:
 - (i) "**Accrued Interest**", with respect to any Purchased Securities subject to a Buy/Sell Back Transaction, unpaid Income that has accrued during the period from (and including) the issue date or the last Income Payment Date (whichever is the later) in respect of such Purchased Securities to (but excluding) the date of calculation. For these purposes unpaid Income shall be deemed to accrue on a daily basis from (and including) the issue date or the last Income Payment Date (as the case may be) to (but excluding) the next Income Payment Date or the maturity date (whichever is the earlier).
 - (ii) "**Sell Back Differential**", with respect to any Buy/Sell Back Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction (on a 360 day basis or a 365 day basis in accordance with the applicable ISMA convention, unless otherwise agreed between the parties for the Transaction) to the sum of (a) the Purchase Price and (b) Accrued Interest paid on the Purchase Date for such Transaction for the actual number of days during the period commencing on (and including) the Purchase Date for such Buy/Sell Back Transaction and ending on (but excluding) the date of calculation;
 - (iii) "**Sell Back Price**", with respect to any Buy/Sell Back Transaction, means:
 - (x) in relation to the date originally specified by the parties as the Repurchase Date pursuant to paragraph 3(b)(ii) of the Agreement, the price agreed by the Parties in relation to that Buy/Sell Back Transaction, and
 - (y) in any other case (including for the purposes of the application of paragraph 4 (margin maintenance) or paragraph 10 (Events of Default) of the Agreement, the product of the formula $(P + AI + D) - (IR + C)$, where -

P = the Purchase Price
AI = the amount, equal to Accrued Interest at the Purchase Date, paid under paragraph 8 of this Annex
D = the Sell Back Differential
IR = the amount of any Income in respect of the Purchased Securities payable by the issuer on or, in the case of registered Securities, by reference to, any date falling between the Purchase Date and the Repurchase Date
C = the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction to any such Income from (and including) the date of payment by the issuer to (but excluding) the date of calculation
5. When entering into a Buy/Sell Back Transaction the parties shall also agree the Sell Back Price and the Pricing Rate to apply in relation to that Transaction on the scheduled Repurchase Date. The parties shall record the Pricing Rate in at least one Confirmation applicable to that Buy/Sell Back Transaction.

6. Buy/Sell Back Transactions shall not be terminable on demand.
7. In the case of a Buy/Sell Back Transaction, the Purchase Price shall be quoted exclusive of Accrued Interest to the Purchase Date on the Purchased Securities and the Sell Back Price shall be quoted exclusive of Accrued Interest.
8. For the purposes of paragraph 3(c) of the Agreement, in the case of a Buy/Sell Back Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the payment of the Purchase Price plus an amount equal to Accrued Interest to the Purchase Date on such Purchased Securities.
9. In the case of a Buy/Sell Back Transaction, paragraph 3(f) of the Agreement shall not apply. Termination of such a Transaction will be effected on the Repurchase Date by transfer to Seller or its agent of Equivalent Securities against the payment by Seller of (i) in a case where the Repurchase Date is the date originally scheduled by the parties pursuant to paragraph 3(b)(ii) of the Agreement, the Sell Back Price referred to in paragraph 4(iii)(x) of this Annex plus an amount equal to Accrued Interest to the Repurchase Date; and (ii) in any other case, the Sell Back Price referred to in paragraph 4(iii)(y) of this Annex.
10. If the parties agree that a Buy/Sell Back Transaction is to be repriced in accordance with paragraph 4(i) of the Agreement, they shall at the time of such repricing agree the Purchase Price, the Sell Back Price and the Pricing Rate applicable to the Repriced Transaction.
11. Paragraph 5 of the Agreement (relating to Income payments) shall not apply to Buy/Sell Back Transactions.
12. References to "Repurchase Price" throughout the Agreement shall be construed as references to "Repurchase Price or the Sell Back Price, as the case may be".
13. In Paragraph 10(c)(i) of the Agreement (relating to Events of Default), the reference to the "Repurchase Prices" shall be construed as a reference to "Repurchase Prices and Sell Back Prices".

ANNEX IV

Transactions Entered Into As Agent

1. Subject to the following provisions of this Annex, either party may enter into Transactions as agent for a third person (a "Principal"), whether as custodian or investment manager or otherwise (a Transaction so entered into being an "Agency Transaction"). In this Annex the party entering into an Agency Transaction as agent is referred to as the "Agent" and the other party is referred to as the "other party".
2. A party may enter into an Agency Transaction if, but only if:
 - (a) It specifies that Transaction as an Agency Transaction at the time when it enters into it and in the Confirmation;
 - (b) It enters into that Transaction on behalf of a single Principal whose identity is disclosed to the other party (whether by name or by reference to a code or identifier which the parties have agreed will be used to refer to a specified Principal) at the time when it enters into the Transaction; and
 - (c) It has at the time when the Transaction is entered into actual authority to enter into the Transaction on behalf of that Principal and to perform on behalf of that Principal all of that Principal's obligations under the Agreement.
3. A transaction shall not be entered into under the Agreement and this Annex if both parties specify that they propose to enter into that transaction as an agent.
4. Each party undertakes that, if it enters as agent into an Agency Transaction, forthwith upon becoming aware:
 - (a) Of any event which constitutes an Act of Insolvency with respect to the relevant Principal; or
 - (b) Of any breach of any of the warranties given in paragraph 8 below or of any event or circumstance which has the result that any such warranty would be untrue if repeated by reference to the current facts;it will inform the other party of that fact and will, if so required by the other party, furnish the other party with such additional information as the other party may reasonably request.
5. (a) Each Agency Transaction shall be a transaction between the relevant Principal and the other party and no person other than the relevant Principal and the other party shall be a party to or have any rights or obligations under an Agency Transaction. Without limiting the foregoing, the Agent shall not be liable as principal for the performance of an Agency Transaction, but this is without prejudice to any liability of the Agent under any other provision of this Annex.
(b) All the provisions of the Agreement shall apply separately as between the other party and each Principal for whom the Agent has entered into an Agency Transaction or Agency Transactions as if each such Principal were a party to a separate agreement with the other party in all respects identical with the Agreement as supplemented by the provisions of this Annex other than this paragraph, but with the following additions and modifications:
 - (i) If there occurs in relation to the Agent an Event of Default or an event which would constitute an Event of Default if the other party served a Default Notice or other written notice under any sub-paragraph of paragraph 10 of the Agreement, the other party shall be entitled by giving written notice to the Principal (which notice shall be validly given if given to the Agent in accordance with paragraph 14 of the Agreement) to declare that by reason of that event an Event of Default is to be treated as occurring in relation to the Principal. If the other party gives such notice then an Event of Default shall be treated as occurring in relation to the Principal at the time when the notice is deemed to be given in accordance with paragraph 14 of the Agreement.
 - (ii) If the Principal is neither incorporated nor has established a place of business in Great Britain, the Principal shall for the purposes of paragraph 17 of the Agreement as so

applicable do deemed to have appointed as its agent to receive on its behalf service of process in the Courts of England the Agent, or if the Agent is neither incorporated nor has established a place of business in the United Kingdom, the person appointed by the Agent under paragraph 17 of the Agreement, or such other person as the Principal may from time to time specify in a written notice given to the other party.

- (c) The Agent shall do all such things and provide the other party with all such information as may be necessary to identify any Transaction Exposure which may arise in respect of any Principal.
- (d) The foregoing provisions do not affect the operation of the Agreement as between the other party and the Agent in respect of any Transactions into which the Agent may enter on its own account as a principal.

6. Paragraph 9(b) of the Agreement shall be deleted and replaced by the following:
"(b) it will engage in this Agreement and the Transactions contemplated hereunder as principal or, subject to and in accordance with Annex IV, as agent and the conditions referred to in Annex IV will be fulfilled in respect of each Transaction into which it enters as an agent."

7. At the beginning of the last sentence of paragraph 9 of the Agreement there shall be added the words "Subject to Annex IV".

8. Each party warrants to the other that it will, on every occasion on which it enters or purports to enter into a transaction as an Agency Transaction, be duly authorized to enter into that transaction on behalf of the person whom it specifies as the Principal in respect of that transaction and to perform on behalf of that person all the obligations of that person under the Agreement.

ANNEX V**Names, Addresses and other details for Communication Between Parties****1. Party A**

For communications such as confirmations:

Refco Capital Markets, Ltd.
550 W. Jackson Blvd.
Suite 1300
Chicago, IL 60661
Attention: Confirmations
Telephone No.: (312) 756-3570
Facsimile No.: (312) 756-3562

For notices or communications other than confirmations:

Refco Capital Markets, Ltd.
c/o Refco Securities, LLC
One World Financial Center
200 Liberty Street, 24th Floor
New York, New York 10281 USA
Attention: Compliance Department
Telephone No.: (212) 693-3926
Facsimile No.: (212) 693-7053

2. Party B:

For communications:

Bancafe International Bank, Ltd.
Av. Reforma 9-30
Zona 9
Guatemala
Attention: Juan Antonio Vico
Telephone No.: 502-361-3844
Facsimile No.: 502-331-1480

ANNEX VI**Name and Address of Party A's Agent for Service of Process**

Refco Securities, LLC
One World Financial Center
Tower A, 24th Floor
New York, New York 10281 USA
Attention: Compliance Department
Facsimile No.: (212) 693-7008
Telephone No.: (212) 693-7000

ANNEX VII

Name and Address of Party B's Agent for Service of Process

PLEASE PROVIDE:

If Party B does not, or fails to, nominate a New York address for service of process in this Annex, Party B agrees that if Party A shall so request (which request may be made by telephone or in writing), Party B shall forthwith appoint an agent for the service of legal proceedings on behalf of Party B with an office in the City of New York. Party A agrees that if Party B fails to appoint such an agent within 3 New York business days of such request by Party A, Party A shall be entitled to appoint such an agent on behalf of Party B, in Party B's name and at Party B's expense. Party A shall notify Party B forthwith of the appointment of any such agent.

ANNEX VIII

Additional Terms and Conditions Relating to European Economic and Monetary Union

1. Interpretation

In this Annex:

"euro" means the currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union;

"euro Unit", "national currency unit" and **"transitional period"** have the meaning given to those terms in the European Council Regulation on the legal framework for the introduction of the euro which is expected to come into force on 1 January 1999;

"TARGET" means the Trans-European Automated Real-time Gross Settlement Express Transfer system.

2. Continuity of Contract

The parties confirm that the introduction of the euro or the occurrence or non-occurrence of any other event associated with economic and monetary union in the European Community shall not have the effect of altering any term of the Agreement or discharging, or excusing performance under the Agreement or any Transaction thereunder, nor give a party the right unilaterally to alter or terminate the Agreement or any Transaction thereunder.

3. Business Days

The parties agree that:

- (a) References in paragraph 2(d)(iv) of the Agreement to a day on which "banks are open for business in the principal financial centre" in relation to a national currency unit will be to a day on which banks are open for settling payments in the national currency unit in the principal financial centre of that national currency unit immediately prior to the start of the transitional period;
- (b) There shall be inserted at the end of paragraph 2(d)(iv) of the Agreement –
"(or, in the case of a payment denominated in euro, a day on which TARGET operates)";
- (c) The following words at the end of paragraph 2(d)(iv) of the Agreement shall be deleted with effect from 1 January 1999 –
"(or, in the case of ECU, a day on which ECU clearing operates)".

4. Equivalent Securities

The parties agree that for the purposes of paragraph 2(p) of the Agreement, Securities will be equivalent to other Securities notwithstanding that those Securities have been redenominated into euro or the nominal value of the Securities has changed in connection with such redenomination.

5. Payment and Transfer

The parties agree that there shall be inserted at the end of paragraph 6(h) of the Agreement:

"For the purposes of this paragraph, amounts in euros (whether denominated in the euro unit or a national currency unit) shall be treated as being in the same currency only if those amounts are expressed in the euro unit or the same national currency unit."

GUARANTY AND TRANSFER AUTHORIZATION AGREEMENT

Refco Capital Markets, Ltd.
Roysebank Building
#12, 2nd Floor
Hamilton, Bermuda HM 11

Ladies and Gentlemen:

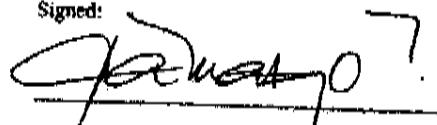
In consideration for your maintenance of the account of "Vipasa International Investments Corp. (Trader"), and for other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the undersigned ("Guarantor") hereby agrees as follows:

1. Guarantor hereby unconditionally guarantees the prompt, full and complete performance of any and all covenants and agreements of the Trader to you ("Refco") and the payment of any and all margins, trading losses, and other indebtedness, damages, costs, and expenses owing to Refco and arising from or relating to the Trader or an account of the Trader. In addition, Guarantor agrees to pay all expenses (including reasonable attorneys' fees) paid or incurred by Refco in endeavoring to collect from Guarantor thereunder and in enforcing this Agreement against Guarantor.
2. The liability of Guarantor under this Agreement shall be unconditional irrespective of (a) any lack of enforceability of any obligation being enforced; (b) any change of the time, manner or place of payment, or any other term, of any obligation being enforced; (c) any change, release or non-perfection of any collateral securing payment of any obligation being enforced; (d) the acceptance of additional parties or the release of anyone primarily or secondarily liable on the obligation being enforced; (e) any law, regulation or order of any jurisdiction affecting any term of any obligation being enforced or Refco's rights with respect thereto; and (f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Trader. Guarantor waives promptness, diligence, and notices with respect to any obligation being enforced and this Agreement and any requirement that Refco exhaust any right or take any action against the Trader or any collateral security and any duty on Refco's part to disclose to Guarantor any matter, fact or thing related to the business, operations or condition (financial or otherwise) of the Trader or its property, whether now or hereafter known by Refco.
3. In the event of dissolution of the Trader, insolvency of the Trader, or failure of the Trader to pay debts as they mature, appointment of a receiver of any part of the property of the Trader, an assignment for the benefit of creditors by the Trader, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Trader, and if such event shall occur at a time when any obligation of the Trader may not be due and payable, Guarantor agrees to pay Refco forthwith the full amount which would be payable if such obligation were then due and payable.
4. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, to Refco is rescinded or must otherwise be returned by Refco upon the insolvency, bankruptcy or reorganization of the Trader or otherwise, all as though such payment to Refco had not been made.
5. Refco may apply or set off any deposit or other indebtedness at any time credited by or due from Refco to Guarantor against any liability of Guarantor under this Agreement when any amount is payable hereunder by Guarantor.
6. Any and all payments upon any obligation made by Guarantor or the Trader and the proceeds of any and all Security for any obligation may be applied by Refco upon such obligation may be applied by Refco upon such obligation as Refco may determine.
7. Guarantor waives presentment, protest, demand, notice of dishonor or default, notice of acceptance of this Agreement, notice of any advance made, extensions granted or other action taken in reliance hereon and all demands and notices of any kind in connection with this Agreement.

[Handwritten signature]

Date: June 26, 2003

Signed:



Bancafe International Bank Ltd (TBA)
And any sub-account opened in the past or to be
opened in the future with Refco Capital Markets, Ltd.
Or any other subsidiaries

The trader:

Vipasa International Investments Corp (10001758)
And any sub-account opened in the past or to be
opened in the future with Refco Capital Markets, Ltd.
or any other subsidiaries.

EXHIBIT PwC 2

GUARANTY AND INDEMNIFICATION

This GUARANTY AND INDEMNIFICATION, dated as of August 25, 2005 made by ~~Bancafe International Bank Ltd.~~ ("Guarantor"), in favor of REFCO, Capital Markets, Ltd., a Bermuda limited liability company ("REFCO").

WHEREAS, ~~Vipasa International Investments Corp.~~ ("Vipasa"), a subsidiary of ~~Guarantor~~, ~~has entered into the Arrangement~~, as that term is defined in the letter dated June 2005 from ~~Guarantor~~ and ~~Vipasa~~ to REFCO and attached hereto as Exhibit A (all agreements relating to the Arrangement, as such may be amended, modified or supplemented from time to time are referred to herein as the "Agreement");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ~~Guarantor~~, intending to be legally bound, agrees as follows:

1. Guaranty.

(a) ~~Guarantor hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the due and punctual performance or payment in full when due (whether at stated maturity, by acceleration or otherwise) of any payment or performance obligations under the Agreement owed by Vipasa now or hereafter to REFCO (collectively, the "Liabilities"). The Guarantor hereby unconditionally and irrevocably agrees to pay the Liabilities to REFCO on REFCO's first written demand under Section 6 hereof, without withholding, deduction, counterclaim or set-off.~~

(b) This is a continuing Guaranty and a guaranty of payment (not merely of collection), and it shall remain in full force and effect until all Obligations (as defined in the Agreement) have been validly, finally and irrevocably performed or paid in full. The Guarantor's obligations under this Guaranty are absolute, unconditional and irrevocable: (i) irrespective of the absence of any action to obtain those amounts from ~~Vipasa~~ or any other guarantor or surety or to proceed against any other security provided by ~~Vipasa~~ or any other person or entity; (ii) irrespective of the genuineness, validity, regularity or enforceability of the obligations of ~~Vipasa~~ or of any change in, amendment to or waiver or compromise of any term of any document or instrument evidencing the Liabilities; and (iii) irrespective of the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving ~~Vipasa~~ or by any other circumstance (other than complete, irrevocable payment) that might vary the risk of or otherwise constitute a legal or equitable discharge or defense of ~~Vipasa~~, the Guarantor or of a surety or a guarantor. For the avoidance of doubt, this Guaranty will not be discharged or affected by any circumstance, act or omission whatsoever which, but for this provision, might constitute a legal or equitable discharge or otherwise operate to release the Guarantor from paying the Liabilities hereunder, other than indefeasible payment in full thereof.

(c) The Guarantor agrees to waive all rights that the Guarantor may have against ~~Vipasa~~ of subrogation, reimbursement, indemnity, exonerations or contribution arising in connection with this Guaranty, until all Liabilities and any other amounts owed to REFCO shall have been indefeasibly paid in full. If at any time when any amount is overdue and unpaid, Guarantor receives any amount as a result of any action against ~~Vipasa~~ or any of its property or



assets or otherwise for or on account of any payment made by Guarantor under this Guaranty, Guarantor shall forthwith pay that amount received by it, to the extent necessary to satisfy any such amount overdue and unpaid, to REFCO, to be credited and applied against the amount so payable by Vipasa.

(d) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Liabilities is invalidated, declared to be fraudulent or preferential, set aside, rescinded or must otherwise be restored or otherwise, all as though such payment has not been made.

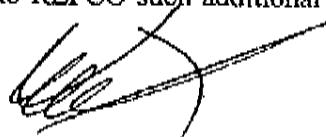
(e) If Vipasa merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist, Guarantor shall nonetheless continue to be liable for the payment of all Liabilities to the extent such Liabilities are not paid when due by Vipasa.

(f) The Guarantor hereby waives (except as provided in the last sentence of Section 1(a) above with respect to written demand by REFCO) notice of acceptance of this Guaranty, notice of making of the Liabilities, diligence, promptness, presentment, demand for payment, protest, and all other notices (whether of non-payment, dishonor, protest, or otherwise) of any kind whatsoever.

(g) The Guarantor agrees to pay all fees (including, without limitation, reasonable attorneys' fees) and out-of-pocket expenses incurred by REFCO in connection with the enforcement or preservation of REFCO's rights under this Guaranty.

2. ~~Indemnification.~~ The Guarantor agrees to indemnify REFCO against, and agrees to hold REFCO harmless from, any and all Losses incurred or suffered by REFCO arising out of ~~any of the matters covered in the Agreement and the transaction contemplated thereunder, except for the non-performance by REFCO under the Agreement when there is nothing outside of REFCO's control preventing it from performing under the Agreement. The indemnification under this Section 2 shall cover any and all Losses incurred or suffered by REFCO as a result of a review of the matters covered in the Agreement by any governmental or governmental body.~~ "Loss" or "Losses" shall mean any and all liabilities, losses, costs, claims, damages (including consequential damages), penalties and expenses (including reasonable attorneys' fees and expenses and costs of investigation and litigation).

3. Payments Free and Clear. All payments under this Guaranty shall be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If Guarantor is so required to deduct or withhold, then Guarantor will (i) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by Guarantor to REFCO under this Section 3 promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against REFCO, and in any event before penalties attach thereto or interest accrues thereon, (ii) promptly forward to REFCO an official receipt (or a certified copy) or other evidence of such payment to such authorities and, (iii) in addition to the payment to which REFCO is otherwise entitled under this Guaranty, pay to REFCO such additional amount as is



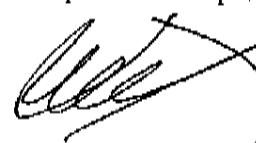
necessary to ensure that the net amount actually received by REFCO (free and clear of taxes, whether assessed against REFCO or Guarantor or the Guarantor Subsidiary) will equal the full amount REFCO would have received had no such deduction or withholding been required.

4. Remedies. The rights and remedies provided for in this Guaranty are in addition to and not exclusive of any rights and remedies available to REFCO by law in respect of this Guaranty. A failure or delay in exercising any right, power or privilege in respect of this Guaranty will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege. If any amount payable by Guarantor under this Guaranty is not paid when due, REFCO may, without notice or demand of any kind, appropriate and apply toward the payment of any such amount any property, balance, credit, deposit account or money of Guarantor (in any currency) that for any purpose is in the possession or control of REFCO or any of its Affiliates (or any of its or their respective branches or offices). REFCO shall be entitled to apply any amount received by it from any source, including Guarantor, in respect of Vipasa's obligations under the Agreement to the discharge of those obligations in such order as REFCO may from time to time elect in its sole discretion.

5. Representations and Warranties. Guarantor hereby makes to REFCO the following representations and warranties as of the date hereof and on each date on which any Transaction (as defined in the Agreement) is entered into:

- (a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (b) it has the power to execute this Guaranty and any other documentation relating to this Guaranty to which it is a party, to deliver this Guaranty and any other documentation relating to this Guaranty that it is required by this Guaranty to deliver and to perform its obligations under this Guaranty and has taken all necessary action to authorize such execution, delivery and performance;
- (c) such execution delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and
- (d) its obligations under this Guaranty constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms.

6. Amendments, Waivers, Notices. All amendments, waivers and modifications of or to any provision of this Guaranty and any consent to departure by Guarantor from the terms of this Guaranty shall be in writing and signed and delivered by REFCO and shall not otherwise be effective. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which it is given. No failure or delay by REFCO in exercising any right, power or privilege in respect of this Guaranty will be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent

A handwritten signature in black ink, appearing to read "John Doe".

or further exercise of that right, power or privilege or the exercise of any other right, power or privilege. Any notice or communication to the Guarantor shall be sent to the address set forth below, or such other address as may be specified by written notice from time to time.

7. Binding Effect. This Guaranty shall be binding on Guarantor and its successors and assigns. However, Guarantor shall not transfer any of its obligations under this Guaranty without the prior written consent of REFCO, and any purported transfer without that consent shall be void. This Guaranty shall inure to the benefit of REFCO and its successors and assigns.

8. Governing Law; Jurisdiction; Etc. This Guaranty shall be governed by and construed and interpreted in accordance with the law of the State of New York (without reference to the choice of law doctrine). ~~The Guarantor hereby irrevocably waives any and all right to trial by jury with respect to any legal proceeding arising out of or relating to this Guaranty.~~ The Guarantor irrevocably submits to the exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, for purposes of any action or proceeding relating to this Guaranty, and by execution and delivery of this Guaranty the Guarantor irrevocably submits to the jurisdiction of such courts for the purpose of any suit, legal action or proceeding, waives any and all objections as to inconvenient forum and the like and consents to service of all writs, process and summonses in any such suit, legal action or proceeding brought in such courts by certified or registered mail, postage prepaid to the address as set forth below.

9. Headings. The section headings in this Guaranty are for convenience of reference only and shall not affect the meaning or construction of any provision of this Guaranty.

IN WITNESS WHEREOF Guarantor has duly executed this Guaranty with effect from the date first written above, on the date specified below.

BANCARE INTERNATIONAL BANK
LTD.

By: Juan Eladio Campos Moraga
Title: General Power Attorney
Date: 26-08-2005

Address for Notices:

REFCO CAPITAL MARKETS, LTD

By: John S. S.
Title: Authorised Signatory
Date: Sept 6, 2005

By: _____
Title: _____
Date: _____



August 25, 2005

Attn.: REFCO Capital Markets
New Accounts Department
One World Financial Center, Tower A
200 Liberty Street
24th Floor
New York, NY 1028
Main Tel: (212) 693-7000

Re: Bancafe International Bank Ltd.
Account No. 10012375

Dear Ladies and Gentlemen:

This letter is to request that you establish a new sub-account under existing Account No. 10012375 for Bancafe International Bank, Ltd. (the "Customer"). This sub-account is being created for administrative purposes. It is imperative, that this request be granted immediately.

The name of the sub-account shall be "Bancafe International - OTC". ~~In all other respects, the sub-account and the existing account belong to the same legal entity.~~ As such, all the information that was previously provided to REFCO shall remain the same for purposes of the new sub-account. All representations originally made, and all provisions originally agreed upon pursuant to the existing account document are deemed to apply and shall continue to apply to the sub-account. I am authorized by the Customer to create this new sub-account, to trade thereon, and to sign this letter on behalf of the Customer.

You are hereby authorized at any time, and from time to time, in your sole discretion and without prior notice, to transfer monies, securities, commodities or other property. These transfers shall be made for purposes of satisfying margin obligations, the reduction or satisfaction of any debit balance, or the satisfaction of any other commitments, interchangeably among any accounts maintained by the Customer and one or more of the following entities: REFCO, LLC, REFCO Capital Corporation, REFCO Securities, LLC, REFCO Capital Markets, Ltd., REFCO Overseas Limited, or any other entity affiliated with any of the foregoing (each a "REFCO Entity"). Notwithstanding the foregoing transfer authorization, the undersigned acknowledges its obligation to immediately satisfy its margin and collateral obligations, debit balances and other commitments to such Refco Entities.

Very truly yours,

A handwritten signature in black ink, appearing to read "John".

John
Authorized Signer
Bancafe Int'l Bank, Ltd
Account No. 10012375

06-26-03 15:46

S023614293

BANCA GENERAL

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GUARANTY AND TRANSFER AUTHORIZATION AGREEMENT

Refco Capital Markets, Ltd.
Rosebank Building
#12, 2nd Floor
Hamilton, Bermuda HM 11

Ladies and Gentlemen:

In consideration for your maintenance of the account of "Vipasa International Investments Corp. (Trader"), and for other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the undersigned ("Guarantor") hereby agrees as follows:

1. Guarantor hereby agrees to be bound to the prompt, full and complete performance of any and all covenants and agreements of the Trader to you ("Refco") and the payment of any and all margins, trading losses, and other indebtedness, damages, costs, and expenses owing to Refco and arising from or relating to the Trader or an account of the Trader. In addition, Guarantor agrees to pay all expenses (including reasonable attorneys' fees) paid or incurred by Refco in endeavoring to collect from Guarantor hereunder and in enforcing this Agreement against Guarantor.

2. The liability of Guarantor under this Agreement shall be unconditional irrespective of (a) any lack of enforceability of any obligation being enforced; (b) any change of the time, manner or place of payment, or any other term, of any obligation being enforced; (c) any change, release or non-perfection of any collateral securing payment of any obligation being enforced; (d) the acceptance of additional parties or the release of anyone primarily or secondarily liable on the obligation being enforced; (e) any law, regulation or order of any jurisdiction affecting any term of any obligation being enforced or Refco's rights with respect thereto; and (f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Trader. Guarantor waives promptness, diligence, and notices with respect to any obligation being enforced and this Agreement and any requirement that Refco exhaust any right or take any action against the Trader or any collateral security and any duty on Refco's part to disclose to Guarantor any matter, fact or thing related to the business, operations or condition (financial or otherwise) of the Trader or its property, whether now or hereafter known by Refco.

3. In the event of dissolution of the Trader, insolvency of the Trader, or failure of the Trader to pay debts as they mature, appointment of a receiver of any part of the property of the Trader, an assignment for the benefit of creditors by the Trader, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Trader, and if such event shall occur at a time when any obligation of the Trader may not be due and payable, Guarantor agrees to pay Refco forthwith the full amount which would be payable if such obligation were then due and payable.

4. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, to Refco is rescinded or must otherwise be returned by Refco upon the insolvency, bankruptcy or reorganization of the Trader or otherwise, all as though such payment to Refco had not been made.

5. Refco may apply of the money deposited or otherwise received by or due from Refco to Guarantor against any liability of Guarantor under this Agreement when any amount is payable hereunder by Guarantor.

6. Any and all payments upon any obligation made by Guarantor or the Trader and the proceeds of any and all security for any obligation may be applied by Refco upon such obligation may be applied by Refco upon such obligation as Refco may determine.

7. Guarantor waives presentment, protest, demand, notice of dishonor or default, notice of acceptance of this Agreement, notice of any advance made, extensions granted or other action taken in reliance hereon and all demands and notices of any kind in connection with this Agreement.

06-26-03 15:47

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BANCA GENERAL

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8. This Agreement shall remain in full force and effect so long as any claim of Resco which relates, directly or indirectly, to the Trader or an account of the Trader is not settled to Resco's satisfaction or discharged in full.

9. In furtherance of the purpose of this Agreement and in order to accomplish the purpose of this Agreement hereunder, Resco is hereby authorized at any time and from time to time, in its sole discretion and without prior notice to the Guarantor, to transfer from any account of Guarantor maintained at Resco monies, securities, commodities or other contracts or other property for payment of any margin obligation, reduction in satisfaction of the DIF balance, or satisfaction of any obligation of a swap. Such transfers may include, without limitation, the transfer of Chittenden to the Trader's account. Guarantor further acknowledges and agrees that all funds, securities, commodities or other contracts or other property which Resco may be carrying, for Guarantor, are held by Resco in protection or control for any purpose, including set-aside property to be held as security and subject to a general lien and right of offset for all liabilities of Guarantor to Resco, including without limitation under this Agreement.

10. The Guarantor hereby represents and warrants to Resco the following:

a) The Guarantor is corporation existing and in good standing under the laws of the jurisdiction of its formation; and the Guarantor has the full corporate power and authority to own its properties and to carry on its business as now being conducted.

b) The execution and delivery by the Guarantor of this Agreement, and the performance of the Subsidiary's obligations hereunder:

- (i) are within the Guarantor's corporate powers;
- (ii) have been authorized by all necessary corporate action;
- (iii) have received all necessary governmental approvals (if any shall be required); and
- (iv) do not and will not contravene or conflict with any provision of law or of the charter, by-laws or any other documents of the Guarantor or of any agreement binding upon the Guarantor.

c) This Agreement is enforceable against the Guarantor in accordance with the terms hereof. Without limiting any of the foregoing, the Guarantor has full corporate power and authority to guarantee the obligations of the Trader to Resco and to pledge the Guarantor's assets in order to secure such obligations.

11. This Agreement may be executed in any number of counterparts (including fax versions), each of which shall be deemed to be an original and such counterparts together shall constitute one instrument.

12. There are no conditions or limitations to this Agreement, and no alterations, change or modification shall be made except in a writing signed by Resco.

13. This Agreement shall bind the successors and assigns of Guarantor and insure to the benefit of Resco, its successors and assigns. This Agreement shall be construed according to the laws of the State of Illinois, excluding conflict-of-laws principles.

14. Guarantor irrevocably (a) submits in any legal proceeding relating to this Agreement or any other related agreement to the nonexclusive, in personam jurisdiction of any state or United States court of competent jurisdiction sitting in the City of Chicago or New York City and agrees to suit being brought in any such court; (b) waives any objection that Guarantor may now or hereafter have to the venue of such proceeding in any such court; (c) agrees to service of process in any legal proceeding by mailing copies thereof (by registered or certified mail, if practicable) postage prepaid or by telex or facsimile to Guarantor at the address set forth below; and (d) agrees that nothing herein shall affect the right of Resco to effect service of process in any other manner permitted in Law and that Resco shall have the right to bring any legal proceeding (including a proceeding for enforcement of a judgment entered by any of the aforementioned courts) against the undersigned in any other courts of jurisdiction and in accordance with applicable law.

06-26-03 15:48

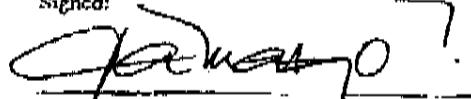
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BANCA GENERAL

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Date: June 26, 2003

Signed:



Banca International Bank Ltd (TBA)
And any sub-account opened in the past or to be
opened in the future with Resco Capital Markets, Ltd.
Or any other subsidiaries.

The trader:

Vipasa International Investments Corp (10001758)
And any sub-account opened in the past or to be
opened in the future with Resco Capital Markets, Ltd.
or any other subsidiaries.

BANCAFE INTERNATIONAL BANK, LTD.

August 25, 2005

REFCO, Ltd.

Re: Extension and Amendment of Option Arrangement

Dear Gentlemen:

Two years ago Bancafe International Bank Ltd. ("Bancafe") requested that REFCO Capital Markets, Ltd. ("REFCO"), enter into the arrangement described below (the "Arrangement"). This Arrangement requires that some of the securities in Bancafe's Account, held by REFCO, were to be used to secure a finance facility for a certain Bancafe affiliate by the name of Vipasa International Investments Corp. ("Vipasa"). Currently, both Bancafe and Vipasa are clients of REFCO. In connection with the Arrangement, Bancafe requested REFCO to structure a derivative product through the use of over-the-counter option calls, whereby Bancafe sold its right to REFCO to take possession of the securities in consideration for a cash payment (strike price). ~~REFCO would then exercise the options in an effort to secure the payment of its obligations, in the event Vipasa failed to repay the loan to REFCO or some other event occurs with respect thereto.~~ The differential between the strike price and the market price (intrinsic value) would be the amount transferred from Bancafe to Vipasa to secure loans due by Vipasa to REFCO, in the event, options would be exercised. The Arrangement was documented by a confirmations and the posting of entries in their respective accounts. ~~The arrangement was also documented by a Guaranty and Transfer Authorization Agreement dated June 26, 2003, signed by Bancafe and a Guaranty, as well as a Transfer Authorization Agreement dated June 26, 2003, signed by Vipasa.~~

Bancafe and Vipasa each understand that the derivative used in the Arrangement is a unique product specifically requested by Bancafe and Vipasa. Bancafe and Vipasa each further acknowledge that by having a variable strike price, REFCO is unable to correctly price the option. ~~REFCO is unable to determine an accurate account value for each of the accounts.~~ Bancafe and Vipasa are requesting that the Arrangement be renewed on August 26, 2005. In connection with such renewal, Bancafe and Vipasa request that the documents reflecting the Arrangement be amended to the extent necessary, so as to provide for the following:

- 1) ~~REFCO will open a separate account at REFCO will be opened and named Bancafe 9440, which will be utilized to record new options pursuant to the Arrangement;~~
- 2) Each of Bancafe and Vipasa acknowledge that as a result of the options having a variable strike price, REFCO will be unable to determine an accurate account value for each of the accounts. Furthermore, each of Bancafe and Vipasa acknowledge that it will be the responsibility of Bancafe and Vipasa to request REFCO to price the options in order to determine the strike price at any particular time.
- 4) Bancafe and Vipasa each agree that options under the arrangement will have an initial maturity of ninety (90) days, provided that if there is no notice to terminate or exercise any option by either Bancafe, Vipasa or REFCO prior to the maturity of the option (or any renewal of the option) and for so long as Vipasa remains in existence, the option may be automatically renewed by REFCO in its sole discretion.





In connection with the renewal of the Arrangement, the following shall be reaffirmed: 1) Bancafe hereby reaffirms all of its obligations under the Guaranty and Transfer Authorization Agreement made by Bancafe in favor of REFCO dated June 26, 2003; and 2) Vipasa hereby reaffirms its obligations under the Guaranty and Transfer Authorization Agreement made by Vipasa in favor of REFCO dated June 26, 2003. Moreover, and in further connection with the renewal of the Arrangement, Bancafe and Vipasa will each deliver a Guaranty in a form acceptable to REFCO. This Guaranty shall serve as a condition precedent to the renewal of the Arrangement. In the event that any provision in the Guaranty and Transfer Authorization Agreements already signed by Bancafe and Vipasa conflicts with any provision in the Guaranty to be provided by Bancafe and Vipasa, Bancafe and Vipasa each agree that REFCO may elect which provision it wants to govern.

Bancafe and Vipasa each confirm that the terms of this letter were originated exclusively by authorized officers. Bancafe and Vipasa further confirm that this letter does not constitute an offering or furnish in any way by REFCO or any of its direct, indirect, related companies, or any of its officers, employees,

If you agree with the provisions contained herein, please sign the acknowledgement below.

Sincerely,

BANCAFE INTERNATIONAL BANK LTD.

By: _____
Name: Juan Eladio Campos Moraga
Title: General Power Attorney

VIPASA INTERNATIONAL INVESTMENT CORP.

By: _____
Name: JUAN CARLOS MALDONADO PAZ
Title: GENERAL POWER ATTORNEY

ACKNOWLEDGMENT:

REFCO CAPITAL MARKETS, LTD.

By: _____
Name: WALTER PETERS
Title: GENERAL SIGNATORY

EXHIBIT PwC 3

**REFCO CAPITAL MARKETS, LTD.
CUSTOMER CLAIM FORM**

Specific debtor against which this claim is asserted:

Refco Capital Markets, Ltd.
Chapter 11
Case No. 05-60018 (RDD)

Name and address where notices should be sent:

Name: Mr. Ariel Estuardo Camargo
Executive President

Address: Bancafe International Bank, Ltd.Torre Del PaísAvenida La Reforma 9-30, Zona 9Guatemala, C.A. 01009GuatemalaTEL: ([] [] []) [] [] - [] [] []
**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**
INSTRUCTIONS

1. Carefully read these instructions before completing.
2. This form should not be used to make a claim for post-petition administrative expense arising after the commencement of the case (10/17/2005). A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.
3. In order to have your claim considered for payment and/or voting purposes, complete ALL applicable questions.
 - a) Type of Claim - check the box next to the appropriate type of claim
 - b) Net Liquidation Value of Account - Enter the value of the securities in the boxes provided. Value must be specified in U.S. dollars.
 - c) Social Security/Tax Payer Identification - Enter the last 4 digits of your social security OR tax payer identification number
 - d) Signature - sign, date and print your name and title
4. Mail completed form to: or Hand Deliver completed form to:

United States Bankruptcy Court
Southern District of New York
Attn: Refco Inc. Claims
Docketing Center
Bowling Green Station
P.O. Box 5175
New York, New York 10274 -5175

United States Bankruptcy Court
Southern District of New York
Attn: Refco Inc. Claims
Docketing Center
One Bowling Green, Room 534
New York, New York 10004 -1408

Form must be received no later than July 17, 2006, at 5:00 p.m. prevailing Eastern Time. No facsimiles will be accepted. Upon receipt of this claim, the claims agent will mail you an acknowledgement.

1. Type of Claim *See attached addendum which is hereby incorporated in full.

THIS SPACE IS FOR COURT USE ONLY

Constructive Trust
 Return of Property

Guarantee
 Unsecured Nonpriority Claim

2. Net Liquidation Value of Account (denomination in US Dollars only):

U.S. \$ 2 0 7 , 9 3 4 , 2 1 2 . 5 2

3. Social Security/Tax Payer Identification Number:

Last 4 Digits of Your Social Security #: N/A

OR

Tax Payer Identification #: N/A

4. Signature:

SIGN and print the name and title, if any, of the creditor or other person authorized to file this claim
(attach power of attorney, if any).

Signature

Juan Eladio Campos Moraaga

Printed Name

0 7 / 1 3 / 2 0 0 6

Date (mm/dd/yyyy)

Legal Representative

Title

2006 JUL 14 A.G.
S.D. NY

**REFCO CAPITAL MARKETS, LTD.
CUSTOMER CLAIM FORM**
**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

Specific debtor against which this claim is asserted:

Refco Capital Markets, Ltd.
Chapter 11
Case No. 05-60018 (RDD)

Name and address where notices should be sent:

Name: Mr. Ariel Estuardo Camargo
Executive President

Address: Bancafe International Bank, Ltd.Torre Del PaísAvenida La Reforma 9-30, Zona 9Guatemala, C.A. 01009GuatemalaTEL: ([] [] [] [] [] [] - [] [] [] [] [] [])**INSTRUCTIONS**

1. Carefully read these instructions before completing.
2. This form should not be used to make a claim for post-petition administrative expense arising after the commencement of the case (10/17/2005). A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.
3. In order to have your claim considered for payment and/or voting purposes, complete ALL applicable questions.
 - a) Type of Claim – check the box next to the appropriate type of claim
 - b) Net Liquidation Value of Account – Enter the value of the securities in the boxes provided. Value must be specified in U.S. dollars.
 - c) Social Security/Tax Payer Identification – Enter the last 4 digits of your social security OR tax payer identification number
 - d) Signature – sign, date and print your name and title
4. Mail completed form to: **United States Bankruptcy Court
Southern District of New York
Attn: Refco Inc. Claims
Docketing Center
Bowling Green Station
P.O. Box 5175
New York, New York 10274-5175** or **Hand Deliver completed form to:
United States Bankruptcy Court
Southern District of New York
Attn: Refco Inc. Claims
Docketing Center
One Bowling Green, Room 534
New York, New York 10004-1408**

Form must be received no later than July 17, 2006, at 5:00 p.m. prevailing Eastern Time. No facsimiles will be accepted. Upon receipt of this claim, the claims agent will mail you an acknowledgement.

1. Type of Claim ² See attached addendum which is hereby incorporated in full.

Constructive Trust Guarantee
 Return of Property Unsecured Nonpriority Claim

THIS SPACE IS FOR COURT USE ONLY

2. Net Liquidation Value of Account (denomination in US Dollars only):

U.S. \$ 1 7 3 , 5 5 9 , 3 9

3. Social Security/Tax Payer Identification Number:

Last 4 Digits of Your Social Security #: N/A

OR

Tax Payer Identification #: N/A

4. Signature:

SIGN and print the name and title, if any, of the creditor or other person authorized to file this claim
(attach power of attorney, if any).

Signature

Juan Eladio Campos Moraga
Printed Name

0 7 / 1 3 / 2 0 0 6

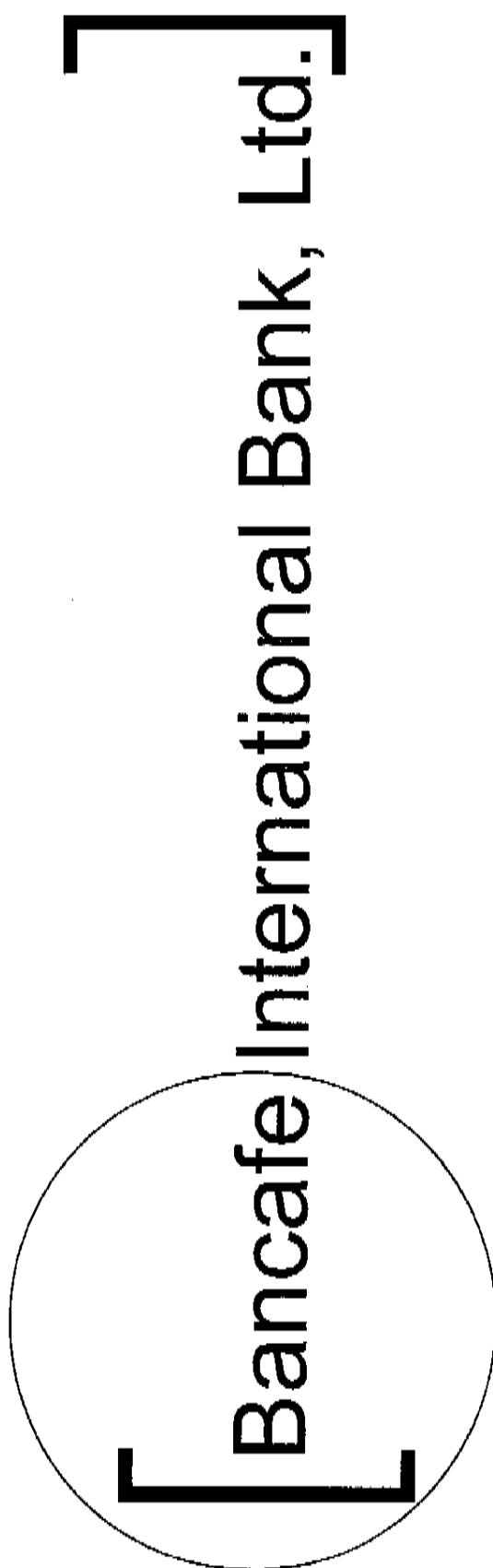
Date (mm/dd/yyyy)

Legal Representative

Title



EXHIBIT PwC 4



Central Bank of Barbados
April 21, 2006 Meeting

Executive Summary

- The Refco bankruptcy was unexpected
- BIB will recapitalize to address the Refco exposure
- BIB has worked closely with its Guatemalan regulator and the legal team to develop a sound solution
- The proceeds from the sale of the Guatemalan operations of the Bancafe group will be put in trust to ensure protection of BIB's depositors

Presentation Outline

- The Global Legal Team and Its Role
- Status Report on Refco Bankruptcy
- Contingent Warranty
- Discussions with Guatemalan Regulator
- Sale of Bancafe Financial Group
- Plan for Voluntary Liquidation

[The Global Legal Team and Its Role]

- MIAMI: De La Peña & Associates, P.A.
 - Lead counsel coordinating and monitoring all aspects of the matter
- NEW YORK: Kirkland & Ellis, LLP
 - Bankruptcy counsel for the Refco case
- BARBADOS: Chancery Chambers
 - Regulatory and Corporate counsel
- GUATEMALA: Palomo, Campos y Asociados
 - Legal Representatives of BIB in Guatemala

The Refco Bankruptcy

- Refco, Inc. and 23 affiliated companies filed for bankruptcy protection in New York on October 17, 2005
- The Refco bankruptcy is the 7th largest in U.S. history
 - Naturally, the case is large and complex, and could take years to resolve

The Refco Bankruptcy (2)

- The bankruptcy filing came as a shock to customers, shareholders, and the financial markets because Refco's IPO occurred only 6 weeks before
- Numerous large financial institutions and hedge funds were customers of RCM
- Banks in Central and South America face a particularly large exposure

[The Refco Bankruptcy (3)]

- BIB was listed as the 5th largest unsecured creditor in the bankruptcy
- BIB's claim relates to Refco Capital Markets, Ltd. ("RCM")
- RCM is a Bermuda entity that was not subject to U.S. regulation
- It appears that there was significant fraud within the Refco companies

[The Refco Bankruptcy (4)]

- Customers of RCM quickly demanded the return of the securities and cash in their accounts
- Many customers filed adversary proceedings—lawsuits within the overall bankruptcy
- Refco claimed that property in customer accounts belonged to Refco's estate and that customers only had unsecured claims

The Refco Bankruptcy (5)]

- The Refco case was filed as a Chapter 11 “reorganization”
- Generally, a reorganization attempts to rehabilitate the company as an ongoing concern
- In a reorganization, the debtor makes payments or distributes assets according to a “plan” voted on by the creditors
- Occasionally, the “plan” involves liquidation

The Refco Bankruptcy (6)

- In contrast, a Chapter 7 case always involves liquidation
- In a liquidation, the assets of the estate must be promptly sold so that cash distributions may be made to creditors
- The Bankruptcy Code also has a special type of liquidation for "stockbrokers"
- A group of customers moved to convert the case to a stockbroker liquidation

[The Refco Bankruptcy (7)]

- A stockbroker liquidation differs from a traditional liquidation because securities customers receive priority status
- Securities customers recover after government and administrative claims, but before the general unsecured creditors

[The Refco Bankruptcy (8)]

- BIB evaluated the situation and chose to neither join nor object to conversion
- Numerous parties actively litigated each side of the conversion motion
- BIB's involvement would not have affected the outcome but would have resulted in millions of dollars of additional legal expenses to BIB

[The Refco Bankruptcy (9)]

- On March 14, the Court ruled that RCM is a stockbroker
- The Court held off from converting the case to a liquidation in order to allow progress on a settlement "plan"
- Consensual settlement plans in Chapter 11 are used to compromise on controversial issues of priority and validity of claims
- By compromising, parties save substantial legal costs and obtain faster distributions

The Refco Bankruptcy (10)]

- A settlement plan could result in distribution by year-end
- If the Judge is not satisfied that progress has been made, he will convert the case
- Conversion has downsides such as
 - Immediate liquidation of assets, which may not capture the best prices for illiquid securities
 - Increased litigation time and cost
 - Delayed distribution to creditors

The Refco Bankruptcy (11)

- A status conference will be held on May 2, at which time the Court may convert the case
- A trustee has been appointed specifically for RCM
- The trustee will investigate potential claims and try to recover as many assets for the RCM estate as possible

Contingent Guaranty

- BIB's claim in the RCM bankruptcy is approximately \$208 million
- However, that amount is likely to be offset by a debt owed to RCM by a BIB affiliate
- BIB guaranteed VIPASA's debts to RCM, which total approximately \$154MM

Contingent Guaranty (2)

- The guaranty arose due to certain transactions among BIB, VIPASA, and RCM
- VIPASA borrowed funds from RCM to purchase bonds, and transferred the bonds to BIB
- BIB guaranteed repayment of VIPASA's debt to RCM

Contingent Guarantee (3)

- From 2003 through 2005, BIB, VIPASA, and RCM entered into various option contracts on the bonds
- The options functioned as a guaranty because exercise of the options would have resulted in transfer of the bonds back to VIPASA's account and likely offsetting of VIPASA's debt
- In August 2005 BIB executed a written guaranty of VIPASA's debt to RCM

Contingent Guaranty (4)

- Neither RCM nor the trustee has contacted VIPASA or BIB regarding payment of the debt or setoff relating to the guarantee
- Although BIB may have defenses to the guarantee, it is likely that VIPASA's debt will ultimately be set off against BIB's claim

Disclosure to Auditors]

- Full disclosure of the guaranty issue has been made to BIB's auditors
- However, due to the possible impact of the Refco bankruptcy and the guaranty on BIB's financial statements, BIB's quarterly and annual filings are still being prepared
- BIB wants to ensure that these filings are completely accurate, and does not wish to file reports which may be incomplete

Request for Extension of Time

- A quarterly filing with the Central Bank is due April 21 and BIB's audited financial statements are due by April 30
- Because BIB's audited financial statements are in the process of preparation, BIB requests an approximately 90-day extension of time (until July 31) to file its quarterly report and audited financial statements
- An extension of time will allow the auditors to properly analyze the situation and allow BIB to present the Central Bank with accurate financial statements

Superintendencia de Bancos

- The Superintendencia has been active from day one in managing the impact of the Refco bankruptcy
- Numerous Guatemalan banks and individuals held accounts with Refco
- Many Central and South American financial institutions face large losses due to their exposure to Refco
- The Superintendent understands that managing the exposure is critical to maintaining stability in the region

Superintendencia de Bancos (2)

- The Superintendent has supervisory responsibilities over both the Bancafe financial group, and over BIB because BIB operates in Guatemala
- BIB has been working closely with its Guatemalan regulator to develop a solution to BIB's capitalization problem
- In December, BIB and Banco del Café set aside reserves of \$20MM, i.e., 10% of its Refco exposure (as did other Guatemalan banks)
- The existence of the guaranty has been disclosed to the Superintendent

Superintendencia de Bancos (3)

- BIB is pleased to answer any questions regarding the plan of sale and related matters
- In the event the Central Bank prefers to communicate directly with the Superintendent, Mr. Willy Zapata, we have included his contact information for your convenience

Sale of Bancafe Group

- BIB's management, shareholders, and the Superintendent believe the sale of the group's Guatemalan operations is the best solution to BIB's dilemma
- The shareholders have agreed that the proceeds of the sale will be used to recapitalize BIB and ensure that depositors are made whole

Sale of Bancafe Group (2)

- The sale will involve 5 entities:
 - Banco del Café
 - Financiera del País (investment bank)
 - Almacenadora del País (warehouse bonding company)
 - Seguros del País (insurance company)
 - Valores del País (brokerage house)
- BIB is not part of the sale

]

Sale of Bancafe Group (3)

- Citigroup has been retained as the group's investment banker
- An auction of the group is currently underway
- 5 potential buyers have been selected to enter the due diligence process
 - 2 are worldwide financial institutions
 - 2 are regional banks in Central America
 - 1 is a local Guatemalan bank

[Sale of Bancafe Group (4)]

- The due diligence process is underway
- Once the due diligence period is concluded, bidders will prepare binding bids for submission
- A sale contract is expected to be in place between the end of May and mid-June

Trust Agreement

- The proceeds of the sale of the group will be placed in a purpose trust under the laws of Barbados for repayment of BIB's depositors
 - Messrs. De La Peña and Carmichael will serve as trustees
 - BIB is also considering appointing an appropriate and qualified person to serve as an additional director or advisor to supplement the strengths of the current board
 - BIB would seek someone with strong financial knowledge, preferably a chartered accountant
- The shareholders and the Superintendent have agreed that this is the appropriate approach
 - BIB will then move forward with a plan of voluntary liquidation to repay depositors and creditors and wind up

1

Voluntary Liquidation

- BIB plans to seek Central Bank approval of a plan of voluntary liquidation
- The sale proceeds will create a fund for repayment of first, depositors, and then other creditors
- A voluntary liquidation will protect the financial system and depositors in an orderly, procedurally sound manner

1 [Voluntary Liquidation (2)]

- We do not wish for approval of a liquidation application to negatively impact the sale of the financial group due to negative publicity
- If notices of a voluntary liquidation are sent prior to the sale of the group, depositors may misunderstand which entity is liquidating and cause customers to leave Banco del Café or other entities included in the sale
- If the customer-base of the group is reduced, the sale price will likely be affected

Voluntary Liquidation (3)

- Therefore, BIB would like to request approval in principle, with final approval effective upon closing of the sale of the group
- Approval in principle would allow the Central Bank time to evaluate the plan so that a liquidation could be undertaken promptly once the sale proceeds are available

Support of Central Bank

- BIB would like the Central Bank's advice and guidance in further developing and implementing a solution
- The support of the Central Bank is important to have a successful sale of the group
- A successful sale will lead to a successful solution for BIB and its depositors

Conclusion

- BIB has identified the problem and taken the initiative to develop a sound solution
- BIB has the strong support of its Guatemalan regulator for this plan
- BIB hopes to obtain similar support from the Central Bank to make this plan a success
- BIB and its regulators are all focused on one key objective: *protection of the depositors*

Confidentiality

The content of this presentation is private and confidential. This presentation is not for public distribution and is protected by the attorney work product privilege.

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EXHIBIT PwC 5



**DE LA PEÑA
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November 17, 2006

Mr. Cleviston L. Haynes
Director, Exchange Control
Central Bank of Barbados
Tom Adams Financial Center
Spry Street, Bridgetown
Barbados, W.I.

Subject: Bancafe International Bank, Ltd. Account with Refco

We are writing in response to your request for information regarding certain transactions in the account Bancafe International Bank Ltd. (hereinafter "BIB") held with Refco Capital Markets, Ltd. (hereinafter "RCM") and which may result in a setoff or "netting" of BIB's account balance with the debit balance owed to RCM by Vipasa International Investments Corp. (hereinafter "Vipasa International"). You have inquired regarding the basis for a setoff of Vipasa International's account against BIB's account. As previously discussed, BIB executed a written guaranty of Vipasa International's debts to RCM. That guaranty was the result of certain transactions among BIB, RCM, and Vipasa International that are explained in more detail herein.

BIB opened an account with RCM in June 2003. The initial account activity consisted of wire transfers of the following securities into the account on June 27:

Quantity	Description
320,000	Venezuela 9.25 09/15/2027
6,000,000	Venezuela 9.25 09/15/2027
5,000,000	El Salvador 8.25 04/10/32
320,000	Dominican Republic 9.04 1/23/13

The remaining account activity for June 2003 consisted of wire transfers of the

Mr. Cleviston L. Haynes
 November 17, 2006
 Page 2

following securities into the account on June 30:

Quantity	Description
1,500,000	Brazil Global Bd 10.125 05/15/27
23,680,000	Venezuela 9.25 09/15/2027
10,320,000	Rep of Ecuador 6% 08/15/30
10,300,000	Rep of Ecuador 12% 11/15/12
5,000,000	El Salvador 8.25 04/10/32
30,000,000	United States Treasury Bill 10/09/03
50,000,000	United States Treasury Bill 10/09/03
50,000,000	United States Treasury Bill 10/09/03

As of June 30, 2003, the market value reflected by RCM for BIB's account was \$179,438,838.17.¹

Vipasa International had already held accounts with RCM since at least 1999. Vipasa International purchased bonds from RCM using funds borrowed from RCM through repurchase agreement transactions.² The bonds were then transferred to BIB's RCM account. Vipasa International's account reflects the following wire transfers out of its account on June 27:

Quantity	Description
320,000	Venezuela 9.25 09/15/2027
6,000,000	Venezuela 9.25 09/15/2027
5,000,000	El Salvador 8.25 04/10/32
320,000	Dominican Republic 9.04 1/23/13

The following transfers out of Vipasa International's account were made on June 30:

Quantity	Description
1,500,000	Brazil Global Bd 10.125 05/15/27
23,680,000	Venezuela 9.25 09/15/2027
10,320,000	Rep of Ecuador 6% 08/15/30
10,300,000	Rep of Ecuador 12% 11/15/12
5,000,000	El Salvador 8.25 04/10/32
30,000,000	United States Treasury Bill 10/09/03
50,000,000	United States Treasury Bill 10/09/03
50,000,000	United States Treasury Bill 10/09/03

¹ The account appears to have increased in value due to interest paid on the bonds, increase in market value of the bonds, and/or trading gains. In 2004 and 2005 some transfers of bonds and cash were made to the account.

² Repurchase agreements are generally referred to as "repos." A repo is an agreement whereby the seller agrees to repurchase the securities at an agreed price either at a stated time or on an open, callable basis.

Mr. Cleviston L. Haynes
November 17, 2006
Page 3

As of June 30, 2003, Vipasa International's account reflected open financing transactions with a debit balance of \$160,941,657.74. The following open repo positions are identified in Vipasa International's account as of June 30, 2003:

Quantity	Description
10,000,000	Rep of Ecuador 12% 11/15/12
6,320,000	Rep of Ecuador 6% 08/15/30
30,000,000	Venezuela 9.25 09/15/2027
10,000,000	El Salvador 8.25 04/10/32
130,000,000	United States Treasury Bill

The transfers from Vipasa International's account to BIB's account were authorized by virtue of a Guaranty and Transfer Authorization Agreement. That agreement permitted assets to be transferred from Vipasa International to BIB; however, BIB did not execute a similar agreement permitting assets to be transferred out of BIB's account.

RCM apparently wished to ensure that it would be able to recover the bonds related to the financing transactions in the event that Vipasa International defaulted on repayment of the debit balance. It is our understanding that the parties therefore entered into a series of over-the-counter (or custom) option transactions,³ which in effect would permit RCM to recover the bonds in the event of a default. These transactions therefore functioned as a de facto guaranty.

The option transactions achieved such a result because BIB would sell options on the underlying bonds to RCM. RCM would in turn sell identical options to Vipasa International. In theory, if Vipasa International defaulted on repayment of the financing balance, RCM could exercise its options to call the bonds out of BIB's account. Vipasa International could then exercise its options to call the bonds away from RCM. The bonds would then be set off against the outstanding financing balance. The options were issued approximately every three months from August 2003 until August 2005. The final options expired in November 2005. The parties never exercised the options.

During 2005 RCM requested that BIB execute a formal written guaranty of Vipasa International's debt to RCM. It is our understanding that a written guaranty was desired in connection with providing more formal documentation of transactions as RCM undertook the process of an initial public offering (which took place in August 2005). A written guaranty was executed by BIB in August 2005.

As attorneys, it is not within our purview to determine the proper accounting treatment of a contingent liability such as the guaranty executed by BIB. It is our understanding that the contingent liability was not reflected in BIB's quarterly or annual financial statements. BIB brought the guaranty to the attention of the Central Bank in its April 21,

³ Over-the-counter (OTC) options are privately negotiated between the parties and not exchange traded. Therefore, the exercise/strike prices, expiration dates, and premiums are determined by the parties and a ready resale market for such options is not available.

Mr. Cleviston L. Haynes
November 17, 2006
Page 4

2006 meeting with Ms. Bayne and again at the meeting with Ms. Greenridge on October 17, 2006. The likelihood of a setoff of the Vipasa International account against BIB's claim against RCM was also brought to the Central Bank's attention at those meetings.

I hope that the foregoing assists in clarifying for you the basis for the setoff claim we expect the RCM Trustee to assert in the near future. As the foregoing reflects, the majority of the bonds in BIB's account were related to Vipasa International's obligations owed to RCM, and were not from an unrelated transaction or depositor funds. Although there are defenses to a setoff which could be asserted, for example regarding the validity of the guaranty or the maturity of the debt (agreed repayment terms for which were presented to the Central Bank on October 17), it is ultimately likely that the RCM Trustee would succeed in forcing a netting of the accounts.

We have learned this afternoon that the RCM Trustee will file today an omnibus motion to set off various claims and that the BIB and Vipasa International claims are included in that motion. Mr. Cantor requested that the RCM Trustee postpone seeking such relief against BIB until such time as a custodian has been appointed for BIB; however, the RCM Trustee stated that he cannot delay the motion. Mr. Cantor will write to the bankruptcy judge on Monday informing him of the situation. Once we receive the motion we will advise you of the objection deadline and hearing date.

Naturally, please do not hesitate to contact me with any questions you may have regarding the foregoing. My direct line is 305-377-0818 and my mobile number is 786-301-4208.

As I mentioned in our recent telephone conference, I will be on vacation during the coming week due to the Thanksgiving holiday, which is Thursday, November 23. Our office will be closed on Wednesday, Thursday, and Friday. As requested, contact information for Mr. Cantor and Ms. Peters is as follows:

Mr. Matthew Cantor, Esq.
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Ms. Suzanne Peters, Esq.
Email: speters@dlp-law.com

Yours very truly,

/s/

Leoncio E. de la Peña D., Esq.

EXHIBIT PwC 6

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Counsel for the RCM Plan Administrator
And RCM Trustee

CLIFFORD CHANCE US LLP
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New York, NY 10019
(212) 878-8000

Counsel for PricewaterhouseCoopers,
EC Inc. as Custodian of Bancafe
International Bank, Ltd.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- X -----
In re : Chapter 11
Refco Inc., et al., : Case No. 05-60006 (RDD)
Debtors: : (Jointly Administered)
----- X -----

**STIPULATION AND ORDER RESOLVING CLAIM NUMBERS
10132 AND 10133 OF BANCafe INTERNATIONAL BANK, LTD.
AGAINST REFCO CAPITAL MARKETS, LTD.**

WHEREAS, on or about October 17, 2005 (the "Petition Date"), Refco Inc., and certain of its affiliates and subsidiaries, including Refco Capital Markets, Ltd. ("RCM") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Refco Bankruptcy Court");

WHEREAS, on April 13, 2006, the Refco Bankruptcy Court entered an order appointing Marc S. Kirschner as the Chapter 11 Trustee for the estate of RCM (the "RCM Trustee");

WHEREAS, on December 15, 2006, the Refco Bankruptcy Court entered an order confirming that certain Modified Joint Chapter 11 Plan of Refco Inc. and Certain of Its Direct

and Indirect Subsidiaries (as amended or modified, the "Refco Plan") pursuant to which the RCM Trustee assumed the role of plan administrator of RCM (the "RCM Plan Administrator");

WHEREAS, Bancafe International Bank, Ltd. ("Bancafe") timely filed against RCM that certain proof of claim number 10,132 in the amount of \$207,934,212.52 and that certain proof of claim number 10,133 in the amount of \$173,559.39 (collectively, the "Bancafe Claims");

WHEREAS, the Bancafe Claims are premised upon certain securities customer account relationships that existed between RCM and Bancafe prior to the Petition Date;

WHEREAS, pursuant to certain of those account relationships, Bancafe entered into a Guaranty and Transfer Authorization Agreement with RCM (the "Guarantee Agreement"), whereby Bancafe guaranteed (including by means of expressly allowing for cross margining by RCM) certain obligations of an entity affiliated with Bancafe, Vipasa International Investments Corp. ("Vipasa");

WHEREAS, as of the Petition Date, Vipasa owed RCM at least \$154,456,433.08 as a result of its account relationships with RCM, which amount Bancafe guaranteed pursuant to the Guarantee Agreement;

WHEREAS, the RCM Plan Administrator disputes certain amounts set forth in the Bancafe Claims;

WHEREAS, pursuant to an order of the High Court of Barbados (the "Barbados Court"), PricewaterhouseCoopers, EC Inc. has been appointed custodian of Bancafe (the "Custodian"), and together with the RCM Plan Administrator, the "Parties") to wind up the affairs of Bancafe;

WHEREAS, the Custodian has filed a Petition for Recognition of Foreign Main Proceeding in the United States Bankruptcy Court for the Southern District of Florida (the "Bancafe Bankruptcy Court"); and

WHEREAS, the RCM Plan Administrator and the Custodian have agreed to settle the issues in respect of the Bancafe Claims on the terms set forth herein.

NOW THEREFORE, in consideration of the foregoing and of the mutual agreements contained herein, and subject to the terms and conditions hereof, the Custodian and the RCM Plan Administrator intending to be legally bound, hereby stipulate and agree as follows:

1. Subject to the provisions hereof, in order to effect agreements as to properly allowable claim amounts and applicable setoffs, claim number 10,132 shall be Allowed (as defined in the Plan) in the amount of \$51,535,143.99. All other amounts asserted in claim number 10,132, whether liquidated, unliquidated, contingent or otherwise, shall be disallowed. Claim 10,132 shall be classified as an RCM Securities Customer Claim (as defined in the Plan).

2. Subject to the provisions hereof, claim number 10,133 shall be Allowed in the amount of \$173,559.39. All other amounts asserted in claim number 10,133, whether liquidated, unliquidated, contingent or otherwise, shall be disallowed. Claim 10,133 shall be classified as an RCM Securities Customer Claim.

3. The Custodian, as soon as practical after the signing of this Stipulation by the Parties, shall, in a manner satisfactory to the RCM Plan Administrator, (i) seek from the Barbados Court approval of this Stipulation (or the substance of its terms), and (ii) seek from the Bancafe Bankruptcy Court relief that excludes the RCM Plan Administrator from any stay of § 362 made applicable by § 1520 to such proceedings to (A) permit the RCM Plan Administrator to

seek approval of and effectuate any settlement reached between him and the Custodian in the Refco Bankruptcy Case (including this Stipulation), (B) permit the RCM Plan Administrator to prosecute any objection to the Bancafe Claims (to the extent this Stipulation does not become effective), and (c) to permit the RCM Plan Administrator to prosecute any rights of offset, setoff, or recoupment against the Bancafe Claims.

4. The RCM Plan Administrator, as soon as practical after the signing of this Stipulation by the Parties, shall, in a manner satisfactory to the Custodian, seek approval of the Stipulation by the Refco Bankruptcy Court.

5. Each Party agrees that upon the effectiveness of this Stipulation, neither party may seek reconsideration under Bankruptcy Code section 502(j) of the allowance and disallowance of the Bancafe Claims as set forth herein. This Stipulation shall be a complete defense to any pleading seeking such reconsideration.

6. This Stipulation shall become effective upon satisfaction of the following conditions: (i) its signature by the Parties, (ii) approval of this Stipulation by the Refco Bankruptcy Court, and (iii) approval of this Stipulation (or the substance of its terms) by the Barbados Court.

7. By executing this Stipulation, subject only to the required Refco Bankruptcy Court and Barbados Court approvals, the Parties represent and warrant that they have the requisite power and authority to enter into and consummate the transactions contemplated herein and to perform all the terms and conditions hereof.

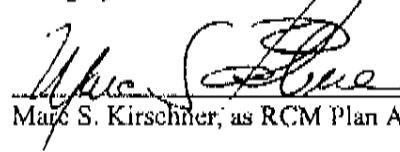
8. This Stipulation shall be governed and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles. The Refco Bankruptcy

Court shall retain jurisdiction to resolve any disputes or controversies arising out of or related to this Stipulation.

9. This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Facsimile versions of signatures hereto shall be deemed original signatures, which may be relied upon by all parties hereby and shall be binding on the respective signor.

AGREED TO BY:

REFCO CAPITAL MARKETS, LTD.
acting by:



Marc S. Kirschner

Marc S. Kirschner, as RCM Plan Administrator

BANCAFE INTERNATIONAL BANK, LTD.
acting by:

Marcus A. Wide, PricewaterhouseCoopers, EC Inc.
As Custodian of Bancafe International Bank, Ltd.

SO ORDERED, this ____ day of ____, 2007.

Honorable Robert D. Drain
United States Bankruptcy Judge

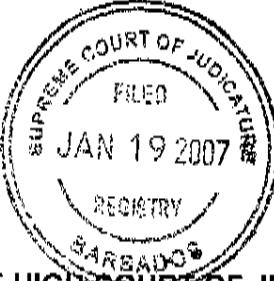
Clarke Gittens & Farmer
Attorneys-at-Law

AFFIDAVIT

[Handwritten signature]
 Attorney-at-Law
 OF CLARKE GITTENS & FARMER
 Partner House
 Wilday Business Park
 Wilday Road
 St. Michael, Barbados

BARBADOS

No. 2092 of 2006



IN THE HIGH COURT OF JUSTICE

CIVIL DIVISION

IN THE MATTER of Bancafe International
Bank LtdAND IN THE MATTER of the International
Financial Services Act Cap 325 of the laws
of Barbados**SUMMONS**

LET ALL parties concerned attend the Judge in Chambers at the Law Courts, Coleridge Street, Bridgetown on Wednesday the 24th day of January 2007 at 9:30 o'clock in the forenoon, on the hearing of an application by the Custodian of Bancafe International Bank Ltd for:-

1. An Order pursuant to Section 79 (2) of the International Financial Services Act Cap 325 that the Court approves the proposed compromise of a claim Bancafe International Bank Ltd has against Refco Capital Markets Ltd.
2. An Order pursuant to Section 83 (3) of the International Financial Services Act Cap 325 and under the inherent jurisdiction of the Court that the Custodian be exempted for a period of 120 days from delivering a statement of account to any depositors and other creditors, any lessees of safe deposit boxes and any bailors of property held by Bancafe International Bank Ltd
3. An Order that the Order of the Honourable Mr. Justice Christopher Arthur Blackman, Judge of the High Court entered on the 29th of November 2006 herein be amended specifically as to paragraph (n) to provide that the Custodian shall provide a report to this Honourable Court within 120 days of its appointment
4. That the Costs of this application be Costs in the compulsory winding-up of Bancafe International Bank Ltd.

Dated the 14th day of *January* 2007.

Clarke Gittens & Farmer

Clarke Gittens & Farmer
Attorneys-at-Law for the Applicant

To: The Registrar
The Supreme Court
Colregide Street
Bridgetown

This Summons was filed by Messrs Clarke Gittens & Farmer Attorneys-at-Law for the Applicant whose address for service is that of its Attorneys-at-Law.

BARBADOS

No. 2092 of 2006

**IN THE HIGH COURT OF JUSTICE
CIVIL DIVISION**

**IN THE MATTER of Bancafe International
Bank Ltd**

**AND IN THE MATTER of the International
Financial Services Act Cap 325 of the laws
of Barbados**

SUMMONS
