
2003 ISDA

Credit Derivatives

Definitions

ISDA[®]

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	v

ARTICLE I CERTAIN GENERAL DEFINITIONS

Section 1.1. Credit Derivative Transaction.....	1
Section 1.2. Confirmation	1
Section 1.3. Term	1
Section 1.4. Effective Date	1
Section 1.5. Trade Date.....	1
Section 1.6. Scheduled Termination Date.....	1
Section 1.7. Termination Date	2
Section 1.8. Event Determination Date.....	2
Section 1.9. Notice Delivery Period	2
Section 1.10. Requirements Regarding Notices	2
Section 1.11. Grace Period Extension Date	2
Section 1.12. Grace Period; Grace Period Business Day.....	3
Section 1.13. Potential Failure to Pay	3
Section 1.14. Calculation Agent	3
Section 1.15. Calculation Agent City	4
Section 1.16. Business Day.....	4
Section 1.17. Calculation Agent City Business Day.....	4
Section 1.18. 2002 ISDA Master Agreement	4
Section 1.19. Buyer.....	4
Section 1.20. Seller	5
Section 1.21. TARGET Settlement Day.....	5

ARTICLE II GENERAL TERMS RELATING TO CREDIT DERIVATIVE TRANSACTIONS

Section 2.1. Reference Entity.....	6
Section 2.2. Provisions for Determining a Successor	6
Section 2.3. Reference Obligation	9
Section 2.4. Reference Price	9
Section 2.5. Fixed Amount	9
Section 2.6. Fixed Rate Payer	9
Section 2.7. Fixed Rate Payer Calculation Amount	9
Section 2.8. Fixed Rate Payer Period End Date.....	10
Section 2.9. Fixed Rate Payer Calculation Period	10
Section 2.10. Fixed Rate Payer Payment Date	10
Section 2.11. Business Day Convention	10
Section 2.12. Floating Rate Payer.....	11

Section 2.13.	Floating Rate Payer Calculation Amount	11
Section 2.14.	Obligation	11
Section 2.15.	Deliverable Obligation.....	11
Section 2.16.	Sovereign Restructured Deliverable Obligation	12
Section 2.17.	Excluded Obligation	12
Section 2.18.	Excluded Deliverable Obligation.....	12
Section 2.19.	Method for Determining Obligations.....	12
Section 2.20.	Method for Determining Deliverable Obligations	14
Section 2.21.	Interpretation of Provisions.....	16
Section 2.22.	Qualifying Participation Seller	18
Section 2.23.	Qualifying Guarantee.....	18
Section 2.24.	Qualifying Affiliate Guarantee	18
Section 2.25.	Downstream Affiliate and Voting Shares	18
Section 2.26.	Sovereign	19
Section 2.27.	Sovereign Agency	19
Section 2.28.	Supranational Organization	19
Section 2.29.	Domestic Currency	19
Section 2.30.	Substitute Reference Obligation	19
Section 2.31.	Merger of Reference Entity and Seller	21
Section 2.32.	Restructuring Maturity Limitation and Fully Transferable Obligation	21
Section 2.33.	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation.....	22

**ARTICLE III
CONDITIONS TO SETTLEMENT**

Section 3.1.	Settlement	25
Section 3.2.	Conditions to Settlement.....	25
Section 3.3.	Credit Event Notice.....	26
Section 3.4.	Notice of Physical Settlement.....	26
Section 3.5.	Publicly Available Information.....	27
Section 3.6.	Notice of Publicly Available Information.....	28
Section 3.7.	Public Source	28
Section 3.8.	Specified Number	28
Section 3.9.	Credit Event Notice After Restructuring	28

**ARTICLE IV
CREDIT EVENTS**

Section 4.1.	Credit Event	30
Section 4.2.	Bankruptcy	30
Section 4.3.	Obligation Acceleration	30
Section 4.4.	Obligation Default	31
Section 4.5.	Failure to Pay	31
Section 4.6.	Repudiation/Moratorium.....	31
Section 4.7.	Restructuring.....	32
Section 4.8.	Certain Definitions Relating to Credit Events	33

Section 4.9.	Limitation on Obligations in Connection with Section 4.7	34
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ARTICLE V
FIXED AMOUNTS

Section 5.1.	Calculation of Fixed Amount.....	35
Section 5.2.	Fixed Rate	35
Section 5.3.	Fixed Rate Day Count Fraction	35
Section 5.4.	Relating Fixed Rate Payer Payments to Fixed Rate Payer Calculation Periods.....	36

ARTICLE VI
GENERAL TERMS RELATING TO SETTLEMENT

Section 6.1.	Settlement Method	37
Section 6.2.	Settlement Date	37
Section 6.3.	Settlement Currency.....	37

ARTICLE VII
TERMS RELATING TO CASH SETTLEMENT

Section 7.1.	Cash Settlement	38
Section 7.2.	Cash Settlement Date	38
Section 7.3.	Cash Settlement Amount	38
Section 7.4.	Final Price	38
Section 7.5.	Valuation Method	38
Section 7.6.	Market Value	40
Section 7.7.	Quotation.....	40
Section 7.8.	Valuation Date	41
Section 7.9.	Quotation Method	42
Section 7.10.	Full Quotation	42
Section 7.11.	Weighted Average Quotation	42
Section 7.12.	Quotation Amount	42
Section 7.13.	Minimum Quotation Amount	42
Section 7.14.	Valuation Time	43
Section 7.15.	Dealer	43
Section 7.16.	Representative Amount.....	43

ARTICLE VIII
TERMS RELATING TO PHYSICAL SETTLEMENT

Section 8.1.	Physical Settlement.....	44
Section 8.2.	Deliver.....	44
Section 8.3.	Delivery Date	45
Section 8.4.	Physical Settlement Date	45
Section 8.5.	Physical Settlement Amount.....	45
Section 8.6.	Physical Settlement Period	45

Section 8.7.	Provisions Applicable to Convertible, Exchangeable and Accreting Obligations.....	45
Section 8.8.	Due and Payable Amount	47
Section 8.9.	Currency Amount.....	47
Section 8.10.	Currency Rate	47
Section 8.11.	Escrow.....	47

**ARTICLE IX
ADDITIONAL REPRESENTATIONS AND AGREEMENTS OF THE PARTIES**

Section 9.1.	Additional Representations and Agreements of the Parties.....	48
Section 9.2.	Additional Representations and Agreements for Physical Settlement	49
Section 9.3.	Partial Cash Settlement Due to Impossibility or Illegality	51
Section 9.4.	Partial Cash Settlement of Consent Required Loans	52
Section 9.5.	Partial Cash Settlement of Assignable Loans	52
Section 9.6.	Partial Cash Settlement of Participations.....	53
Section 9.7.	Latest Permissible Physical Settlement Date.....	53
Section 9.8.	Partial Cash Settlement Terms.....	53
Section 9.9.	Buy-in of Bonds Not Delivered	56
Section 9.10.	Alternative Procedures Relating to Loans Not Delivered.....	58

**ARTICLE X
NOVATION PROVISIONS**

Section 10.1.	Novation.....	59
Section 10.2.	Novation Transaction.....	59
Section 10.3.	Transferor.....	59
Section 10.4.	Transferee	59
Section 10.5.	Remaining Party.....	59
Section 10.6.	Old Transaction.....	59
Section 10.7.	New Transaction	59
Section 10.8.	Old Agreement.....	59
Section 10.9.	New Agreement	59
Section 10.10.	ISDA Master Agreement	60
Section 10.11.	Old Confirmation	60
Section 10.12.	Novated Amount.....	60
Section 10.13.	Novation Agreement.....	60

EXHIBIT

Exhibit A – Form of Confirmation	61
Exhibit B – Form of Credit Event Notice and Notice of Publicly Available Information	71
Exhibit C – Form of Notice of Physical Settlement	72
Exhibit D – Form of Repudiation/Moratorium Extension Notice and Notice of Publicly Available Information.....	73
Exhibit E – Novation Agreement.....	74
Exhibit F – Form of Novation Confirmation	77

INTRODUCTION

The 2003 ISDA Credit Derivatives Definitions (the "Definitions") are intended for use in confirmations of individual credit derivative transactions ("[Confirmations](#)") governed by agreements such as the [1992 ISDA Master Agreements](#) or the [2002 ISDA Master Agreement](#) published by the International Swaps and Derivatives Association, Inc. ("ISDA"). Copies of the [ISDA Master Agreements](#) are available from the executive offices of ISDA or from the ISDA website (www.isda.org). A sample form of [Confirmation](#) for use with the Definitions is attached as Exhibit A to these Definitions.

The Definitions primarily expand and revise the [1999 ISDA Credit Derivatives Definitions](#) and the Supplements to them. The Definitions provide the basic framework for the documentation of certain privately negotiated credit derivative transactions. For ease of use, certain sections of the Definitions provide fallback provisions that will apply to a transaction if the parties do not specify otherwise in the [Confirmation](#).

As in the case of other product-specific definitions published by ISDA, parties using the Definitions to document privately negotiated credit derivative transactions may adapt or supplement the standard provisions set out in these Definitions in accordance with the specific economic terms agreed between the parties to the relevant transaction.

The Definitions are intended to operate on a free-standing basis and therefore, for most transactions, there is no need to incorporate any other ISDA definitions booklets (such as the 2000 ISDA Definitions) into the [Confirmation](#) of a [Credit Derivative Transaction](#).

ISDA has provided these Definitions to assist the smooth and efficient functioning of the credit derivatives market by providing a common set of terms for parties to use in preparing [Confirmations](#) for privately negotiated credit derivative transactions. However, the precise documentation of each individual transaction remains the responsibility of the parties concerned. ISDA assumes no responsibility for any use to which these Definitions may be put, including, without limitation, any use of these Definitions in connection with any privately negotiated credit derivative transaction. Each party to a transaction evidenced by a [Confirmation](#) referring to or incorporating these Definitions must satisfy itself that the Definitions are appropriate for the transaction, have been properly used and/or adapted in the [Confirmation](#) for the transaction and that the [Confirmation](#) has generally been properly drafted, in each case, to reflect the commercial intentions of the parties. It should be noted that [Confirmations](#) that incorporate the [1999 ISDA Credit Derivatives Definitions](#) shall continue to be governed by the [1999 ISDA Credit Derivatives Definitions](#). By using these Definitions to document a [Credit Derivative Transaction](#), no inference shall be made as to the meaning of any provision in the [1999 ISDA Credit Derivatives Definitions](#).

This Introduction is not part of the Definitions and is not offered as an interpretation of the Definitions. The Notices referred to in the Definitions are not required to be in the form set forth in the Exhibits.

2003 ISDA CREDIT DERIVATIVES DEFINITIONS

Any or all of the following definitions and provisions may be incorporated into a document by wording in the document indicating that, or the extent to which, the document is subject to the 2003 ISDA Credit Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA")) (the "Definitions"). All definitions and provisions so incorporated in a document will be applicable to that document unless otherwise provided in that document, and all terms defined in these Definitions and used in any definition or provision that is incorporated by reference in a document will have the respective meanings set forth in these Definitions unless otherwise provided in that document. The definitions of Currencies shall have the meanings given to those terms in the [2000 ISDA Definitions](#). Any term used in a document will, when combined with the name of a party, have meaning in respect of the named party only.

ARTICLE I

CERTAIN GENERAL DEFINITIONS

Section 1.1. Credit Derivative Transaction. "Credit Derivative Transaction" means any transaction that is identified in the related Confirmation as a Credit Derivative Transaction or any transaction that incorporates these Definitions.

Section 1.2. Confirmation. "Confirmation" means, with respect to a Credit Derivative Transaction, one or more documents and other confirming evidence exchanged between the parties or otherwise effective which, taken together, confirm or evidence all of the terms of a Credit Derivative Transaction.

Section 1.3. Term. "Term" means the period commencing on and including the Effective Date of a Credit Derivative Transaction and ending on and including the [Termination Date](#) of such Credit Derivative Transaction.

Section 1.4. Effective Date. "Effective Date" means the date specified as such in the related Confirmation, which date is the first day of the Term of the Credit Derivative Transaction. The Effective Date shall not be subject to adjustment in accordance with any [Business Day Convention](#) unless the parties specify in a Confirmation that the Effective Date will be adjusted in accordance with a specified [Business Day Convention](#).

Section 1.5. Trade Date. "Trade Date" means the date on which the parties enter into the Credit Derivative Transaction, as specified in the related Confirmation.

Section 1.6. Scheduled Termination Date. "Scheduled Termination Date" means the date specified as such in the related Confirmation. The Scheduled Termination Date shall not be subject to adjustment in accordance with any [Business Day Convention](#) unless the parties specify in a Confirmation that the Scheduled Termination Date will be adjusted in accordance with a specified [Business Day Convention](#).

Section 1.7. Termination Date. "Termination Date" means either (a) the date as determined in accordance with Section 1.11 (Grace Period Extension Date), 3.4 (Notice of Physical Settlement), 4.6(b) (Repudiation/Moratorium Evaluation Date), 7.2 (Cash Settlement Date), 8.4 (Physical Settlement Date), 9.2(c)(ii) (Additional Representations and Agreements for Physical Settlement), 9.3 (Partial Cash Settlement Due to Impossibility or Illegality) or 9.8 (Partial Cash Settlement Terms) (as relevant) or (b) if none of such Sections is relevant, the Scheduled Termination Date.

Section 1.8. Event Determination Date. "Event Determination Date" means the first date on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are effective.

Section 1.9. Notice Delivery Period. "Notice Delivery Period" means the period from and including the Effective Date to and including the date that is fourteen calendar days after (a) the Scheduled Termination Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the related Confirmation, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Termination Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Date or (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Termination Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

Section 1.10. Requirements Regarding Notices. A notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. If the Calculation Agent is not a party to the Credit Derivative Transaction, any notice required to be delivered by a party to the other party shall also be delivered to the Calculation Agent; provided, however, that failure to deliver a notice to the Calculation Agent in such circumstances shall not affect the effectiveness of the notice delivered to the other party.

Section 1.11. Grace Period Extension Date. "Grace Period Extension Date" means, if (a) Grace Period Extension is specified as applicable in the related Confirmation and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the related Confirmation, Grace Period Extension shall not apply to the Credit Derivative Transaction. If (i) Grace Period Extension is specified as applicable in the related Confirmation, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date and (iii) an Event Determination Date in respect of that Failure to Pay does not occur during

the [Notice Delivery Period](#), the [Grace Period Extension Date](#) will be the [Termination Date](#) (even if a [Failure to Pay](#) occurs after the [Scheduled Termination Date](#)).

Section 1.12. Grace Period; Grace Period Business Day.

(a) "Grace Period" means:

(i) subject to clauses (ii) and (iii), the applicable grace period with respect to payments under the relevant [Obligation](#) under the terms of such [Obligation](#) in effect as of the later of the [Trade Date](#) and the date as of which such [Obligation](#) is issued or incurred;

(ii) if Grace Period Extension is specified in the related [Confirmation](#) as applicable, a Potential Failure to Pay has occurred on or prior to the [Scheduled Termination Date](#) and the applicable grace period cannot, by its terms, expire on or prior to the [Scheduled Termination Date](#), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the related [Confirmation](#) or, if no period is specified, thirty calendar days; and

(iii) if, at the later of the [Trade Date](#) and the date as of which an [Obligation](#) is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such [Obligation](#), a Grace Period of three Grace Period Business Days shall be deemed to apply to such [Obligation](#); provided that, unless Grace Period Extension is specified as applicable in the related [Confirmation](#), such deemed Grace Period shall expire no later than the [Scheduled Termination Date](#).

(b) "Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant [Obligation](#) and if a place or places are not so specified, in the jurisdiction of the [Obligation Currency](#).

Section 1.13. Potential Failure to Pay. "Potential Failure to Pay" means the failure by a [Reference Entity](#) to make, when and where due, any payments in an aggregate amount of not less than the [Payment Requirement](#) under one or more [Obligations](#), without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such [Obligations](#), in accordance with the terms of such [Obligations](#) at the time of such failure.

Section 1.14. Calculation Agent. "Calculation Agent" means the party to a [Credit Derivative Transaction](#) (or a third party) specified as such in the related [Confirmation](#) (or, if a person is not so specified, [Seller](#)) and who, if necessary (and in accordance with the terms specified in the related [Confirmation](#)), is responsible for: (a) determining a [Successor](#) or [Successors](#) and making any other determinations required to be made under Section 2.2; (b) determining whether (i) the aggregate amounts due under any [Reference Obligation](#) have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (ii) any [Reference Obligation](#) is an [Underlying Obligation](#) with a [Qualifying Guarantee](#) of a [Reference Entity](#) and, other than due to the existence or occurrence of a [Credit](#)

Event, the [Qualifying Guarantee](#) is no longer a valid and binding obligation of such [Reference Entity](#) enforceable in accordance with its terms, or (iii) for any reason other than as described in (i) or (ii) above and other than due to the existence or occurrence of a [Credit Event](#), any [Reference Obligation](#) is no longer an obligation of a [Reference Entity](#); (c) identifying and determining a [Substitute Reference Obligation](#) (after consultation with the parties); (d) in the event that multiple [Credit Event Notices](#) with respect to a [Restructuring Credit Event](#) are delivered pursuant to Section 3.9, making any modifications required pursuant to that Section (after consultation with the parties); (e) obtaining [Quotations](#) (and, if necessary, determining (after consultation with the parties) whether such [Quotations](#) shall include or exclude accrued but unpaid interest) and determining the [Final Price](#) in accordance with the applicable [Valuation Method](#); (f) converting the [Quotation Amount](#) into the relevant [Obligation Currency](#); (g) determining (after consultation with the parties) the [Dealers](#) (where none have been specified in the [Confirmation](#)) and substituting [Dealers](#); (h) determining the [Currency Rate](#); (i) determining (after consultation with the parties) the [Representative Amount](#); (j) determining (after consultation with the parties) the number of Business Days in each [Physical Settlement Period](#); (k) if "Include Accrued Interest" is specified in the related [Confirmation](#) with respect to [Deliverable Obligations](#), determining (after consultation with the parties) accrued but unpaid interest; and (l) determining the [Accreted Amount](#) of any [Accreting Obligation](#). Whenever the [Calculation Agent](#) is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner. The [Calculation Agent](#) shall, as soon as practicable after making any of the determinations specified in subclauses (a) through (l), notify the parties of such determination. Furthermore, each party agrees that the [Calculation Agent](#) is not acting as a fiduciary for or as an advisor to such party in respect of its duties as [Calculation Agent](#) in connection with any [Credit Derivative Transaction](#).

Section 1.15. Calculation Agent City. "Calculation Agent City" means the city specified as such in the related [Confirmation](#) or, if a city is not so specified, the city in which the office through which the [Calculation Agent](#) is acting for purposes of the [Credit Derivative Transaction](#) is located.

Section 1.16. Business Day. "Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant [Confirmation](#), a [TARGET Settlement Day](#) (if "TARGET" or "[TARGET Settlement Day](#)" is specified for that purpose in the related [Confirmation](#)), or if a place or places or such terms are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the jurisdiction of the currency of the [Floating Rate Payer Calculation Amount](#).

Section 1.17. Calculation Agent City Business Day. "Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

Section 1.18. 2002 ISDA Master Agreement. The terms "Additional Termination Event", "Affected Party", "Affected Transaction", "Affiliate", "Close-out Amount", "Stamp Tax" and "Tax" shall have the meanings given to those terms in the standard form 2002 ISDA Master Agreement (the "2002 ISDA Master Agreement").

Section 1.19. Buyer. "Buyer" means the [Fixed Rate Payer](#).

Section 1.20. Seller. "Seller" means the [Floating Rate Payer](#).

Section 1.21. TARGET Settlement Day. "TARGET Settlement Day" means any day on which TARGET (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

ARTICLE II

GENERAL TERMS RELATING TO CREDIT DERIVATIVE TRANSACTIONS

Section 2.1. Reference Entity. "Reference Entity" means the entity or entities specified as such in the related [Confirmation](#). Any Successor to a Reference Entity identified pursuant to Section 2.2 shall be the Reference Entity for the [Credit Derivative Transaction](#) or a New Credit Derivative Transaction as determined pursuant to such Section 2.2.

Section 2.2. Provisions for Determining a Successor.

(a) "Successor" means in relation to a Reference Entity that is not a [Sovereign](#), the entity or entities, if any, determined as set forth below:

(i) if one entity directly or indirectly [succeeds](#) to seventy-five per cent or more of the [Relevant Obligations](#) of the Reference Entity by way of a [Succession Event](#), that entity will be the sole Successor for the entire [Credit Derivative Transaction](#);

(ii) if only one entity directly or indirectly [succeeds](#) to more than twenty-five per cent (but less than seventy-five per cent) of the [Relevant Obligations](#) of the Reference Entity by way of a [Succession Event](#), and not more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity remain with the Reference Entity, the entity that [succeeds](#) to more than twenty-five per cent of the [Relevant Obligations](#) will be the sole Successor for the entire [Credit Derivative Transaction](#);

(iii) if more than one entity each directly or indirectly [succeeds](#) to more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity by way of a [Succession Event](#), and not more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity remain with the Reference Entity, the entities that [succeed](#) to more than twenty-five per cent of the [Relevant Obligations](#) will each be a Successor for a [New Credit Derivative Transaction](#) determined in accordance with the provisions of [Section 2.2\(e\)](#);

(iv) if one or more entities each directly or indirectly [succeeds](#) to more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity by way of a [Succession Event](#), and more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor for a [New Credit Derivative Transaction](#) determined in accordance with the provisions of [Section 2.2\(e\)](#);

(v) if one or more entities directly or indirectly [succeed](#) to a portion of the [Relevant Obligations](#) of the Reference Entity by way of a [Succession Event](#), but no entity [succeeds](#) to more than twenty-five per cent of the [Relevant Obligations](#) of the Reference Entity and the Reference Entity continues to exist, there will be no

Successor and the Reference Entity and the Credit Derivative Transaction will not be changed in any way as a result of the Succession Event; and

(vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under Section 2.2(a)(vi), as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under Section 2.2(a)(vi), as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall notify the parties of such calculation.

(b) "Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

(c) For purposes of Section 2.2, "succeed" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to Section 2.2(a) shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

(d) Where:

(i) a Reference Obligation has been specified with respect to a Credit Derivative Transaction;

(ii) one or more [Successors](#) to the [Reference Entity](#) have been identified;
and

(iii) any one or more such [Successors](#) have not assumed the [Reference Obligation](#),

a [Substitute Reference Obligation](#) will be determined in accordance with the provisions of [Section 2.30](#) with respect to each relevant [Credit Derivative Transaction](#).

(e) Where, pursuant to [Section 2.2\(a\)\(iii\)](#) or [\(iv\)](#), more than one [Successor](#) has been identified, the relevant [Credit Derivative Transaction](#) will be divided into the same number of new [Credit Derivative Transactions](#) (the "[New Credit Derivative Transactions](#)") as there are [Successors](#), with the following terms:

(i) each [Successor](#) will be the [Reference Entity](#) for the purposes of one of the [New Credit Derivative Transactions](#);

(ii) in respect of each [New Credit Derivative Transaction](#), the [Fixed Rate Payer Calculation Amount](#), if any, the [Floating Rate Payer Calculation Amount](#) and, if there is not a [Floating Rate Payer Calculation Amount](#), the [Cash Settlement Amount](#) will be the [Fixed Rate Payer Calculation Amount](#), the [Floating Rate Payer Calculation Amount](#) and the [Cash Settlement Amount](#), as applicable, of the original [Credit Derivative Transaction](#) divided by the number of [Successors](#); and

(iii) all other terms and conditions of the original [Credit Derivative Transaction](#) will be replicated in each [New Credit Derivative Transaction](#) except to the extent that modification is required, as determined by the [Calculation Agent](#) (in consultation with the parties), to preserve the economic effects of the original [Credit Derivative Transaction](#) in the [New Credit Derivative Transactions](#) (considered in the aggregate).

(f) "[Relevant Obligations](#)" means the [Obligations](#) constituting [Bonds](#) and [Loans](#) of the [Reference Entity](#) outstanding immediately prior to the effective date of the [Succession Event](#), excluding any debt obligations outstanding between the [Reference Entity](#) and any of its [Affiliates](#), as determined by the [Calculation Agent](#). The [Calculation Agent](#) will determine the entity which [succeeds](#) to such [Relevant Obligations](#) on the basis of the [Best Available Information](#). If the date on which the [Best Available Information](#) becomes available or is filed precedes the legally effective date of the relevant [Succession Event](#), any assumptions as to the allocation of obligations between or among entities contained in the [Best Available Information](#) will be deemed to have been fulfilled as of the legally effective date of the [Succession Event](#), whether or not this is in fact the case.

(g) "[Best Available Information](#)" means:

(i) in the case of a [Reference Entity](#) which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant [Succession Event](#)

has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the [Succession Event](#) is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the [Calculation Agent](#) makes its determination for the purposes of this [Section 2.2](#), other relevant information that is contained in any written communication provided by the [Reference Entity](#) to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the [Succession Event](#) is required; or

(ii) in the case of a [Reference Entity](#) which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the [Succession Event](#) is required, the information contemplated in (i) above, the best publicly available information at the disposal of the [Calculation Agent](#) to allow it to make a determination for the purposes of this [Section 2.2](#).

Information which is made available more than fourteen calendar days after the legally effective date of the [Succession Event](#) shall not constitute [Best Available Information](#).

(h) In relation to a Sovereign Reference Entity, "[Successor](#)" means any direct or indirect successor(s) to that [Reference Entity](#) irrespective of whether such successor(s) assumes any of the obligations of such [Reference Entity](#).

Section 2.3. Reference Obligation. "Reference Obligation" means each obligation specified as such or of a type described in the related [Confirmation](#) (if any are so specified or described) and any [Substitute Reference Obligation](#).

Section 2.4. Reference Price. "Reference Price" means the percentage specified as such in the related [Confirmation](#) or, if a percentage is not so specified, one hundred per cent.

Section 2.5. Fixed Amount. "Fixed Amount" means, in respect of a [Credit Derivative Transaction](#) and a Fixed Rate Payer, an amount that, subject to any applicable condition precedent, is payable by the Fixed Rate Payer on a [Fixed Rate Payer Payment Date](#) and is specified in the related [Confirmation](#) or, if no such amount is specified, is determined in accordance with [Article V](#) of these Definitions or such other method as has been agreed by the parties.

Section 2.6. Fixed Rate Payer. "Fixed Rate Payer" means, in respect of a [Credit Derivative Transaction](#), the party obligated to make one or more payments of a Fixed Amount as specified in the related [Confirmation](#).

Section 2.7. Fixed Rate Payer Calculation Amount. "Fixed Rate Payer Calculation Amount" means the amount specified as such in the related [Confirmation](#) or, if an amount is not so specified, the [Floating Rate Payer Calculation Amount](#).

Section 2.8. Fixed Rate Payer Period End Date. "Fixed Rate Payer Period End Date" means each date specified as such in the related [Confirmation](#) or, if no such dates are specified, each date specified in the related [Confirmation](#) as a Fixed Rate Payer Payment Date.

Section 2.9. Fixed Rate Payer Calculation Period. "Fixed Rate Payer Calculation Period" means each period from, and including, one Fixed Rate Payer Period End Date to, but excluding, the next following Fixed Rate Payer Period End Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the [Effective Date](#), and (b) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the [Scheduled Termination Date](#) and the [Event Determination Date](#).

Section 2.10. Fixed Rate Payer Payment Date. "Fixed Rate Payer Payment Date" means each date during the term of the Transaction specified as such in the related [Confirmation](#), provided that if an [Event Determination Date](#) occurs, the earlier of the [Termination Date](#) and the first [Settlement Date](#) with respect to the [Credit Event](#) to which such [Event Determination Date](#) relates, shall be the final Fixed Rate Payer Payment Date.

Section 2.11. Business Day Convention.

(a) "Business Day Convention" means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a [Business Day](#). The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a [Business Day](#) so that:

(i) if "Following" is specified, that date will be the first following day that is a [Business Day](#);

(ii) if "Modified Following" or "Modified" is specified, that date will be the first following day that is a [Business Day](#) unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a [Business Day](#); and

(iii) if "Preceding" is specified, that date will be the first preceding day that is a [Business Day](#).

(b) The Business Day Convention applicable to a date that is specified in a [Confirmation](#) to be subject to adjustment in accordance with an applicable Business Day Convention shall be the Business Day Convention specified for that date in that [Confirmation](#) or, if a Business Day Convention is not so specified for that date but a Business Day Convention is specified in a [Confirmation](#) for a [Credit Derivative Transaction](#), the Business Day Convention shall be, subject to [Sections 1.4](#) and [1.6](#), the Business Day Convention specified in the [Confirmation](#) for that [Credit Derivative Transaction](#) and, if a Business Day Convention is not specified for that date or in the [Confirmation](#), the "Following" Business Day Convention, subject to [Sections 1.4](#) and [1.6](#), shall apply to that date.

(c) In the event that the last day of any period calculated by reference to calendar days in [Section 1.9](#), [1.12\(a\)\(ii\)](#), [2.2\(a\)](#), [2.2\(g\)](#), [3.2\(d\)](#), [3.4](#), [4.2\(d\)\(ii\)](#), [4.2\(g\)](#) or [9.7](#) or in any other

Section of the Definitions falls on a day that is not a [Business Day](#), such last day shall be subject to adjustment in accordance with the applicable [Business Day Convention](#).

Section 2.12. Floating Rate Payer. "Floating Rate Payer" means, in respect of a [Credit Derivative Transaction](#), the party specified as such in the related [Confirmation](#).

Section 2.13. Floating Rate Payer Calculation Amount. "Floating Rate Payer Calculation Amount" means the amount specified as such in the related [Confirmation](#).

Section 2.14. Obligation. "Obligation" means (a) any obligation of a [Reference Entity](#) (either directly or as provider of a [Qualifying Affiliate Guarantee](#) or, if All Guarantees is specified as applicable in the related [Confirmation](#), as provider of any [Qualifying Guarantee](#)) determined pursuant to the method described in [Section 2.19](#) (but excluding any [Excluded Obligation](#)), (b) each [Reference Obligation](#), unless specified in the related [Confirmation](#) as an [Excluded Obligation](#), and (c) any other obligation of a [Reference Entity](#) specified as such in the related [Confirmation](#).

Section 2.15. Deliverable Obligation. "Deliverable Obligation" means, subject to [Sections 2.32\(a\)](#) and [2.33\(a\)](#):

(a) any obligation of a [Reference Entity](#) (either directly or as provider of a [Qualifying Affiliate Guarantee](#) or, if All Guarantees is specified as applicable in the related [Confirmation](#), as provider of any [Qualifying Guarantee](#)) determined pursuant to the method described in [Section 2.20](#) (but excluding any [Excluded Deliverable Obligation](#)) that (i) is payable in an amount equal to its [outstanding principal balance](#) or [Due and Payable Amount](#), as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in [Section 4.1\(a\)-\(d\)](#)) or right of set off by or of a [Reference Entity](#) or any applicable [Underlying Obligor](#) and (iii) in the case of a [Qualifying Guarantee](#) other than a [Qualifying Affiliate Guarantee](#), is capable, at the [Delivery Date](#), of immediate assertion or demand by or on behalf of the holder or holders against the [Reference Entity](#) for an amount at least equal to the [outstanding principal balance](#) or [Due and Payable Amount](#) being [Delivered](#) apart from the giving of any notice of nonpayment or similar procedural requirement, it being understood that acceleration of an [Underlying Obligation](#) shall not be considered a procedural requirement;

(b) subject to the second paragraph of [Section 2.20\(b\)\(i\)](#), each [Reference Obligation](#), unless specified in the related [Confirmation](#) as an [Excluded Deliverable Obligation](#);

(c) solely in relation to a [Restructuring Credit Event](#) applicable to a [Sovereign Reference Entity](#), any [Sovereign Restructured Deliverable Obligation](#) (but excluding any [Excluded Deliverable Obligation](#)) that (i) is payable in an amount equal to its [outstanding principal balance](#) or [Due and Payable Amount](#), as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in [Section 4.1\(a\)-\(d\)](#)) or right of set off by or of a [Reference Entity](#) or, as applicable, an [Underlying Obligor](#) and (iii) in the case of a [Qualifying Guarantee](#) other than a [Qualifying Affiliate Guarantee](#), is capable, at the [Delivery Date](#), of immediate assertion or demand by or on behalf of the holder or holders against the [Reference Entity](#) for an amount at least equal to the [outstanding principal balance](#) or [Due and Payable Amount](#) being [Delivered](#) apart from the giving of any notice of nonpayment or similar procedural

requirement, it being understood that acceleration of an [Underlying Obligation](#) shall not be considered a procedural requirement; and

(d) any other obligation of a [Reference Entity](#) specified as such in the related [Confirmation](#).

Section 2.16. Sovereign Restructured Deliverable Obligation. "Sovereign Restructured Deliverable Obligation" means an [Obligation](#) of a [Sovereign Reference Entity](#) (a) in respect of which a [Restructuring](#) that is the subject of the relevant [Credit Event Notice](#) has occurred and (b) described by the [Deliverable Obligation Category](#) specified in the related [Confirmation](#), and, subject to [Section 2.21\(c\)](#), having each of the [Deliverable Obligation Characteristics](#), if any, specified in the related [Confirmation](#), in each case, immediately preceding the date on which such [Restructuring](#) is legally effective in accordance with the terms of the documentation governing such [Restructuring](#) without regard to whether the [Obligation](#) would satisfy such [Deliverable Obligation Category](#) or [Deliverable Obligation Characteristics](#) after such [Restructuring](#).

Section 2.17. Excluded Obligation. "Excluded Obligation" means any obligation of a [Reference Entity](#) specified as such or of a type described in the related [Confirmation](#).

Section 2.18. Excluded Deliverable Obligation. "Excluded Deliverable Obligation" means any obligation of a [Reference Entity](#) specified as such or of a type described in the related [Confirmation](#).

Section 2.19. Method for Determining Obligations. For purposes of [Section 2.14\(a\)](#), the term "[Obligation](#)" may be defined as each obligation of each [Reference Entity](#) described by the [Obligation Category](#) specified in the related [Confirmation](#) and having each of the [Obligation Characteristics](#), if any, specified in the related [Confirmation](#), in each case, as of the date of the event which constitutes the [Credit Event](#) which is the subject of the [Credit Event Notice](#). The following terms shall have the following meanings:

(a) "[Obligation Category](#)" means [Payment](#), [Borrowed Money](#), [Reference Obligations Only](#), [Bond](#), [Loan](#), or [Bond or Loan](#), only one of which shall be specified in the related [Confirmation](#), and:

(i) "[Payment](#)" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, [Borrowed Money](#);

(ii) "[Borrowed Money](#)" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

(iii) "[Reference Obligations Only](#)" means any obligation that is a [Reference Obligation](#) and no [Obligation Characteristics](#) shall be applicable to [Reference Obligations Only](#);

(iv) "Bond" means any obligation of a type included in the "[Borrowed Money](#)" [Obligation Category](#) that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of [Borrowed Money](#);

(v) "Loan" means any obligation of a type included in the "[Borrowed Money](#)" [Obligation Category](#) that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of [Borrowed Money](#); and

(vi) "Bond or Loan" means any obligation that is either a Bond or a Loan.

(b) "Obligation Characteristics" means any one or more of [Not Subordinated](#), [Specified Currency](#), [Not Sovereign Lender](#), [Not Domestic Currency](#), [Not Domestic Law](#), [Listed](#) and [Not Domestic Issuance](#), and:

(i) (A) "Not Subordinated" means an obligation that is not Subordinated to (i) the most senior [Reference Obligation](#) in priority of payment or (ii) if no [Reference Obligation](#) is specified in the related [Confirmation](#), any unsubordinated [Borrowed Money](#) obligation of the [Reference Entity](#). For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or [Deliverable Obligation Characteristic](#), the ranking in priority of payment of each [Reference Obligation](#) shall be determined as of the later of (1) the [Trade Date](#) specified in the related [Confirmation](#) and (2) the date on which such [Reference Obligation](#) was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date.

(B) "Subordination" means, with respect to an obligation (the "Subordinated Obligation") and another obligation of the [Reference Entity](#) to which such obligation is being compared (the "Senior Obligation"), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the [Reference Entity](#), claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the [Reference Entity](#) at any time that the [Reference Entity](#) is in payment arrears or is otherwise in default under the Senior Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the [Reference Entity](#) is a [Sovereign](#).

(ii) "Specified Currency" means an obligation that is payable in the currency or currencies specified as such in the related [Confirmation](#) (or, if Specified Currency is specified in a [Confirmation](#) and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in a [Confirmation](#) as the "Standard Specified Currencies");

(iii) "Not Sovereign Lender" means any obligation that is not primarily owed to a [Sovereign](#) or [Supranational Organization](#), including, without limitation, obligations generally referred to as "Paris Club debt";

(iv) "Not Domestic Currency" means any obligation that is payable in any currency other than the [Domestic Currency](#);

(v) "Not Domestic Law" means any obligation that is not governed by the laws of (A) the relevant [Reference Entity](#), if such [Reference Entity](#) is a [Sovereign](#), or (B) the jurisdiction of organization of the relevant [Reference Entity](#), if such [Reference Entity](#) is not a [Sovereign](#);

(vi) "Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(vii) "Not Domestic Issuance" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant [Reference Entity](#). Any obligation that is registered or qualified for sale outside the domestic market of the relevant [Reference Entity](#) (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant [Reference Entity](#)) shall be deemed not to be intended for sale primarily in the domestic market of the [Reference Entity](#).

Section 2.20. Method for Determining Deliverable Obligations. For purposes of [Section 2.15](#), the term "[Deliverable Obligation](#)" may be defined as each obligation of each [Reference Entity](#) described by the Deliverable Obligation Category specified in the related [Confirmation](#), and, subject to [Section 2.21\(c\)](#), having each of the [Deliverable Obligation Characteristics](#), if any, specified in the related [Confirmation](#), in each case, as of the [Delivery Date](#). The following terms shall have the following meanings:

(a) "Deliverable Obligation Category" means one of [Payment](#), [Borrowed Money](#), [Reference Obligations Only](#), [Bond](#), [Loan](#), or [Bond or Loan](#) (each as defined in [Section 2.19\(a\)](#)), except that, for the purpose of determining [Deliverable Obligations](#), [Section 2.19\(a\)\(iii\)](#) ([Reference Obligations Only](#)) shall be amended to state that no [Deliverable Obligation Characteristics](#) shall be applicable to [Reference Obligations Only](#)).

(b) "Deliverable Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:

(i) "Not Contingent" means any obligation having as of the Delivery Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or nonoccurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of this Section 2.20(b)(i) have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

(ii) "Assignable Loan" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) "Consent Required Loan" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iv) "Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, Buyer is capable of creating, or procuring the creation of, a contractual right in favor of Seller that provides Seller with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between Seller and either (A) Buyer (to the extent Buyer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) "Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(vi) "Maximum Maturity" means an obligation that has a remaining maturity from the [Physical Settlement Date](#) of not greater than the period specified in the related [Confirmation](#);

(vii) "Accelerated or Matured" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the [Delivery Date](#) will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(viii) "Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

Section 2.21. Interpretation of Provisions. Unless expressly agreed to by the parties by means of a statement in a related [Confirmation](#) that this Section 2.21 is not applicable to a [Credit Derivative Transaction](#):

(a) If the Obligation Characteristic "Listed" is specified in a [Confirmation](#), the [Confirmation](#) shall be construed as though [Listed](#) had been specified as an Obligation Characteristic only with respect to [Bonds](#) and shall only be relevant if [Bonds](#) are covered by the selected [Obligation Category](#);

(b) If (i) either of the [Deliverable Obligation Characteristics](#) "Listed" or "Not Bearer" is specified in a [Confirmation](#), the [Confirmation](#) shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to [Bonds](#) and shall only be relevant if [Bonds](#) are covered by the selected [Deliverable Obligation Category](#); (ii) the Deliverable Obligation Characteristic "Transferable" is

specified in a [Confirmation](#), the [Confirmation](#) shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to [Deliverable Obligations](#) that are not [Loans](#) (and shall only be relevant to the extent that obligations other than [Loans](#) are covered by the selected [Deliverable Obligation Category](#)); or (iii) any of the [Deliverable Obligation Characteristics](#) "[Assignable Loan](#)", "[Consent Required Loan](#)" or "[Direct Loan Participation](#)" is specified in a [Confirmation](#), the [Confirmation](#) shall be construed as though such [Deliverable Obligation](#) Characteristic had been specified as a [Deliverable Obligation Characteristic](#) only with respect to [Loans](#) and shall only be relevant if [Loans](#) are covered by the selected [Deliverable Obligation Category](#);

(c) If any of [Payment](#), [Borrowed Money](#), [Loan](#) or [Bond or Loan](#) is specified as the [Deliverable Obligation Category](#) and more than one of [Assignable Loan](#), [Consent Required Loan](#) and [Direct Loan Participation](#) are specified as [Deliverable Obligation Characteristics](#), the [Deliverable Obligations](#) may include any [Loan](#) that satisfies any one of such [Deliverable Obligation Characteristics](#) specified and need not satisfy all such [Deliverable Obligation Characteristics](#); and

(d) In the event that an [Obligation](#) or a [Deliverable Obligation](#) is a [Qualifying Guarantee](#), the following will apply:

(i) For purposes of the application of the [Obligation Category](#) or the [Deliverable Obligation Category](#), the [Qualifying Guarantee](#) shall be deemed to satisfy the same category or categories as those that describe the [Underlying Obligation](#).

(ii) For purposes of the application of the [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#), both the [Qualifying Guarantee](#) and the [Underlying Obligation](#) must satisfy on the relevant date each of the applicable [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#), if any, specified in the related [Confirmation](#) from the following list: [Specified Currency](#), [Not Sovereign Lender](#), [Not Domestic Currency](#) and [Not Domestic Law](#). For these purposes, unless otherwise specified in the related [Confirmation](#), (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a [Domestic Currency](#) and (B) the laws of England and the laws of the State of New York shall not be a [Domestic Law](#).

(iii) For purposes of the application of the [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#), only the [Qualifying Guarantee](#) must satisfy on the relevant date the [Obligation Characteristic](#) or the [Deliverable Obligation Characteristic](#) of [Not Subordinated](#), if specified in the related [Confirmation](#).

(iv) For purposes of the application of the [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#), only the [Underlying Obligation](#) must satisfy on the relevant date each of the applicable [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#), if any, specified in the related [Confirmation](#) from the following list: [Listed](#), [Not Contingent](#), [Not Domestic Issuance](#), [Assignable](#)

Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(v) For purposes of the application of the [Obligation Characteristics](#) or the [Deliverable Obligation Characteristics](#) to an Underlying Obligation, references to the [Reference Entity](#) shall be deemed to refer to the Underlying Obligor.

(vi) The terms "outstanding principal balance" and "Due and Payable Amount" (as they are used in various other Sections, including without limitation, [Sections 9.8\(a\)](#) and [9.8\(g\)](#)), when used in connection with Qualifying Guarantees are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

Section 2.22. Qualifying Participation Seller. "Qualifying Participation Seller" means any participation seller that meets the requirements specified in the related [Confirmation](#). If no such requirements are specified, there shall be no Qualifying Participation Seller.

Section 2.23. Qualifying Guarantee. "Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a [Reference Entity](#) irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "Underlying Obligation") for which another party is the obligor (the "Underlying Obligor") and that is not at the time of the [Credit Event Subordinated](#) to any unsubordinated [Borrowed Money](#) obligation of the Underlying Obligor (with references in the definition of [Subordination](#) to the [Reference Entity](#) deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the [Reference Entity](#) can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being [Delivered](#) together with the [Delivery](#) of the Underlying Obligation.

Section 2.24. Qualifying Affiliate Guarantee. "Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a [Reference Entity](#) in respect of an Underlying Obligation of a Downstream Affiliate of that [Reference Entity](#).

Section 2.25. Downstream Affiliate and Voting Shares. (a) "Downstream Affiliate" means an entity, at the date of the event giving rise to the [Credit Event](#) which is the subject of the [Credit Event Notice](#), the [Delivery Date](#) or the time of identification of a [Substitute Reference Obligation](#) (as applicable), whose outstanding Voting Shares are more than 50 percent owned, directly or indirectly, by the [Reference Entity](#).

(b) "Voting Shares" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Section 2.26. Sovereign. "Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

Section 2.27. Sovereign Agency. "Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

Section 2.28. Supranational Organization. "Supranational Organization" means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

Section 2.29. Domestic Currency. "Domestic Currency" means the currency specified as such in the related [Confirmation](#) and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant [Reference Entity](#), if the [Reference Entity](#) is a Sovereign, or (b) the jurisdiction in which the relevant [Reference Entity](#) is organized, if the [Reference Entity](#) is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

Section 2.30. Substitute Reference Obligation. "Substitute Reference Obligation" means one or more obligations of the [Reference Entity](#) (either directly or as provider of a [Qualifying Affiliate Guarantee](#) or, if All Guarantees is specified as applicable in the related [Confirmation](#), as provider of any [Qualifying Guarantee](#)) that will replace one or more [Reference Obligations](#), identified by the [Calculation Agent](#) in accordance with the following procedures:

(a) In the event that (i) a [Reference Obligation](#) is redeemed in whole or (ii) in the opinion of the [Calculation Agent](#) (A) the aggregate amounts due under any [Reference Obligation](#) have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) any [Reference Obligation](#) is an [Underlying Obligation](#) with a [Qualifying Guarantee](#) of a [Reference Entity](#) and, other than due to the existence or occurrence of a [Credit Event](#), the [Qualifying Guarantee](#) is no longer a valid and binding obligation of such [Reference Entity](#) enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a [Credit Event](#), any [Reference Obligation](#) is no longer an obligation of a [Reference Entity](#), the [Calculation Agent](#) shall (after consultation with the parties) identify one or more [Obligations](#) to replace such [Reference Obligation](#).

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an [Obligation](#) that (1) ranks pari passu (or, if no such [Obligation](#) exists, then, at the Buyer's option, an [Obligation](#) that ranks senior) in priority of payment with such [Reference Obligation](#) (with the ranking in priority of payment of such [Reference Obligation](#) being determined as of the later of (A) the [Trade Date](#) specified in the related [Confirmation](#) and (B) the date on which such [Reference Obligation](#) was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as

determined by the [Calculation Agent](#) in consultation with the parties, of the delivery and payment obligations of the parties to the [Credit Derivative Transaction](#) and (3) is an obligation of a [Reference Entity](#) (either directly or as provider of a [Qualifying Affiliate Guarantee](#) or, if All Guarantees is specified as applicable in the related [Confirmation](#), as provider of a [Qualifying Guarantee](#)). The [Substitute Reference Obligation](#) or [Substitute Reference Obligations](#) identified by the [Calculation Agent](#) shall, without further action, replace such [Reference Obligation](#) or [Reference Obligations](#).

(c) If more than one specific [Reference Obligation](#) is identified as a [Reference Obligation](#) in relation to a [Credit Derivative Transaction](#), any of the events set forth under [Section 2.30\(a\)](#) has occurred with respect to one or more but not all of the [Reference Obligations](#), and the [Calculation Agent](#) determines (after consultation with the parties) that no [Substitute Reference Obligation](#) is available for one or more of such [Reference Obligations](#), each [Reference Obligation](#) for which no [Substitute Reference Obligation](#) is available shall cease to be a [Reference Obligation](#).

(d) If more than one specific [Reference Obligation](#) is identified as a [Reference Obligation](#) in relation to a [Credit Derivative Transaction](#), any of the events set forth under [Section 2.30\(a\)](#) has occurred with respect to all of the [Reference Obligations](#), and the [Calculation Agent](#) determines (after consultation with the parties) that at least one [Substitute Reference Obligation](#) is available for any such [Reference Obligation](#), then each such [Reference Obligation](#) shall be replaced by a [Substitute Reference Obligation](#) and each [Reference Obligation](#) for which no [Substitute Reference Obligation](#) is available will cease to be a [Reference Obligation](#).

(e) If (i) more than one specific [Reference Obligation](#) is identified as a [Reference Obligation](#) in relation to a [Credit Derivative Transaction](#), any of the events set forth under [Section 2.30\(a\)](#) has occurred with respect to all of the [Reference Obligations](#) and the [Calculation Agent](#) determines (after consultation with the parties) that no [Substitute Reference Obligation](#) is available for any of the [Reference Obligations](#), or (ii) only one specific [Reference Obligation](#) is identified as a [Reference Obligation](#) in relation to a [Credit Derivative Transaction](#), any of the events set forth under [Section 2.30\(a\)](#) has occurred with respect to such [Reference Obligation](#) and the [Calculation Agent](#) determines (after consultation with the parties) that no [Substitute Reference Obligation](#) is available for that [Reference Obligation](#), then the [Calculation Agent](#) shall continue to attempt to identify a [Substitute Reference Obligation](#) until the latest of the [Scheduled Termination Date](#), the [Grace Period Extension Date](#) (if any) and the [Repudiation/Moratorium Evaluation Date](#) (if any). If (i) either [Cash Settlement](#) is applicable and the [Cash Settlement Amount](#) is determined by reference to a [Reference Obligation](#) or [Physical Settlement](#) is applicable and the [Reference Obligation](#) is the only [Deliverable Obligation](#) and (ii) on or prior to the latest of the [Scheduled Termination Date](#), the [Grace Period Extension Date](#) or the [Repudiation/Moratorium Evaluation Date](#), a [Substitute Reference Obligation](#) has not been identified, the parties' obligations to each other under such [Credit Derivative Transaction](#) shall cease as of the latest of the [Scheduled Termination Date](#), the [Grace Period Extension Date](#) or the [Repudiation/Moratorium Evaluation Date](#).

(f) For purposes of identification of a [Reference Obligation](#), any change in the [Reference Obligation's](#) CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such [Reference Obligation](#) into a different [Obligation](#).

Section 2.31. Merger of Reference Entity and Seller. In the event that Seller or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, the Reference Entity or the Seller, as applicable, or Seller and a Reference Entity become Affiliates, an Additional Termination Event under the 2002 ISDA Master Agreement will be deemed to have occurred with Seller as the sole Affected Party, with each Credit Derivative Transaction involving such Reference Entity as the Affected Transactions and Close-out Amount as applicable (irrespective of the payment measure specified by the parties in any master agreement between them) and each such Credit Derivative Transaction will be terminated in accordance with any applicable provisions set forth in the 2002 ISDA Master Agreement.

Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation.

(a) If Physical Settlement and "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by Buyer, then a Deliverable Obligation may be specified (or deemed specified pursuant to Section 9.10) in the Notice of Physical Settlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(b) "Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.32(b).

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by Buyer.

(c) "Restructuring Maturity Limitation Date" means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Termination Date or later than thirty months following the Scheduled Termination Date and if it is, it shall be deemed to be the Scheduled Termination Date or thirty months following the Scheduled Termination Date, as the case may be.

(d) "Restructuring Date" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

(e) "Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

(f) "Eligible Transferee" means each of the following:

- (i)
 - (A) any bank or other financial institution;
 - (B) an insurance or reinsurance company;
 - (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii)(A) below); and
 - (D) a registered or licensed broker or dealer (other than a natural person or proprietorship);

provided, however, in each case that such entity has total assets of at least USD 500,000,000.

- (ii) an [Affiliate](#) of an entity specified in the preceding clause (i);
- (iii) each of a corporation, partnership, proprietorship, organization, trust or other entity

- (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;

- (B) that has total assets of at least USD 500,000,000; or

- (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii)(B) or (iv) of this Section 2.32(f); and

- (iv) a [Sovereign](#), [Sovereign Agency](#) or [Supranational Organization](#).

All references in this Section 2.32(f) to USD include equivalent amounts in other currencies.

Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation.

(a) If [Physical Settlement](#) and "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified in a [Confirmation](#) and [Restructuring](#) is the only [Credit Event](#) specified in a [Credit Event Notice](#) delivered by [Buyer](#), then a [Deliverable Obligation](#) may be specified (or deemed specified pursuant to [Section 9.10](#)) in the

Notice of Physical Settlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

(b) "Conditionally Transferable Obligation" means a **Deliverable Obligation** that is either **Transferable**, in the case of **Bonds**, or capable of being assigned or novated to all **Modified Eligible Transferees** without the consent of any person being required, in the case of any **Deliverable Obligation** other than **Bonds**, provided, however, that a **Deliverable Obligation** other than **Bonds** will be a Conditionally Transferable Obligation notwithstanding that consent of the **Reference Entity** or the guarantor, if any, of a **Deliverable Obligation** other than **Bonds** (or the consent of the relevant obligor if a **Reference Entity** is guaranteeing such **Deliverable Obligation**) or any agent is required for such novation, assignment or transfer so long as the terms of such **Deliverable Obligation** provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a **Deliverable Obligation** be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a **Deliverable Obligation** shall not be considered to be a requirement for consent for purposes of this Section 2.33(b).

(i) Where Modified Restructuring Maturity Limitation under this Section 2.33 applies and a **Deliverable Obligation** is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the **Physical Settlement Date** (in which case it shall be deemed to have been refused), **Buyer** shall promptly notify **Seller** of such refusal (or deemed refusal) and:

(A) **Section 9.2(c)(iv)** shall apply with respect to **Seller** as the "designator", provided, however, that the **designee** need not be an **Affiliate** of **Seller**; and

(B) if **Seller** does not designate a third party that takes **Delivery** on or prior to the **Alternative Procedure Start Date**, then **Section 9.10** shall apply.

(ii) For purposes of determining whether a **Deliverable Obligation** satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the **Delivery Date** for the **Deliverable Obligation**, taking into account only the terms of the **Deliverable Obligation** and any related transfer or consent documents which have been obtained by **Buyer**.

(c) "Modified Restructuring Maturity Limitation Date" means, with respect to a **Deliverable Obligation**, the date that is the later of (x) the **Scheduled Termination Date** and (y) 60 months following the **Restructuring Date** in the case of a **Restructured Bond or Loan**, or 30 months following the **Restructuring Date** in the case of all other **Deliverable Obligations**.

(d) "**Restructuring Date**" means, with respect to a **Restructured Bond or Loan**, the date on which a **Restructuring** is legally effective in accordance with the terms of the documentation governing such **Restructuring**.

(e) "Restructured Bond or Loan" means an **Obligation** which is a **Bond or Loan** and in respect of which a **Restructuring** that is the subject of a **Credit Event Notice** has occurred.

(f) "Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

ARTICLE III

CONDITIONS TO SETTLEMENT

Section 3.1. Settlement. Upon the occurrence of a **Credit Event** applicable to a **Credit Derivative Transaction** and satisfaction of all of the Conditions to Settlement with respect to such **Credit Derivative Transaction**, the parties shall perform their respective obligations in accordance with the applicable **Settlement Method**.

Section 3.2. Conditions to Settlement.

(a) "Conditions to Settlement" means (i) with respect to a **Credit Derivative Transaction** to which **Cash Settlement** is specified in the related **Confirmation**, **Credit Event Notice** and, if specified as applicable in the related **Confirmation**, **Notice of Publicly Available Information** and (ii) with respect to a **Credit Derivative Transaction** to which **Physical Settlement** is specified in the related **Confirmation**, **Credit Event Notice** and **Notice of Physical Settlement**, and, if specified as applicable in the related **Confirmation**, **Notice of Publicly Available Information**.

(b) **Credit Event Notice.** The **Credit Event Notice** Condition to Settlement may be satisfied as follows:

(i) if "Buyer" is specified in the related **Confirmation** as the Notifying Party, by the delivery of a **Credit Event Notice** by **Buyer** to **Seller** that is effective during the **Notice Delivery Period**; and

(ii) if "Buyer or Seller" is specified in the related **Confirmation** as Notifying Parties or neither party is specified as such, by the delivery of a **Credit Event Notice** by **Buyer** or **Seller** to the other party that is effective during the **Notice Delivery Period**.

(c) **Notice of Publicly Available Information.** The **Notice of Publicly Available Information** Condition to Settlement is satisfied by the delivery of a **Notice of Publicly Available Information** by the party delivering the **Credit Event Notice** to the other party that is effective during the **Notice Delivery Period**.

(d) **Notice of Physical Settlement.** The **Notice of Physical Settlement** Condition to Settlement is satisfied by the delivery by **Buyer** of a **Notice of Physical Settlement** to **Seller** that is effective no later than thirty calendar days after the **Event Determination Date**. For purposes of determining whether the **Notice of Physical Settlement** Condition to Settlement has been satisfied, the effective date of delivery of the **Notice of Physical Settlement** (whether or not subsequently changed) shall be used.

(e) **Notifying Party.** "Notifying Party" means, with respect to a **Credit Derivative Transaction**, each party specified as such in the related **Confirmation** or, if neither party is specified as such, **Buyer** or **Seller**.

Section 3.3. Credit Event Notice. "Credit Event Notice" means an irrevocable notice from a **Notifying Party** (which may be by telephone) to the other party that describes a **Credit Event** that occurred at or after 12:01 a.m., Greenwich Mean Time, on the **Effective Date** and at or prior to 11:59 p.m., Greenwich Mean Time, on the latest of:

- (a) the **Scheduled Termination Date**;
- (b) the **Grace Period Extension Date** if:
 - (i) **Grace Period Extension** is specified as applicable in the related **Confirmation**;
 - (ii) the **Credit Event** that is the subject of the Credit Event Notice is a **Failure to Pay** that occurs after the **Scheduled Termination Date**; and
 - (iii) the **Potential Failure to Pay** with respect to such **Failure to Pay** occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the **Scheduled Termination Date**; and
- (c) the **Repudiation/Moratorium Evaluation Date** if:
 - (i) the **Credit Event** that is the subject of the Credit Event Notice is a **Repudiation/Moratorium** that occurs after the **Scheduled Termination Date**;
 - (ii) the **Potential Repudiation/Moratorium** with respect to such **Repudiation/Moratorium** occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the **Scheduled Termination Date**; and
 - (iii) the **Repudiation/Moratorium Extension Condition** is satisfied,

unless the parties specify an alternative time in the related **Confirmation**.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a **Credit Event** has occurred. The **Credit Event** that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set forth in **Section 1.10**. A form of Credit Event Notice is set forth in **Exhibit B**.

Section 3.4. Notice of Physical Settlement. "Notice of Physical Settlement" means a notice from **Buyer** to **Seller** (which may be by telephone and which shall be subject to the requirements regarding notices set forth in **Section 1.10**) that (i) irrevocably confirms that **Buyer** will settle the **Credit Derivative Transaction** and require performance in accordance with the Physical Settlement Method and (ii) contains a detailed description of the **Deliverable Obligations** that **Buyer** will, subject to **Section 9.2(c)(ii)**, **Deliver** to **Seller**, including the **outstanding principal balance** or **Due and Payable Amount** of each such **Deliverable Obligation** to be **Delivered** and, if available, the CUSIP or ISIN number (if such identifying number is not available, the rate and tenor of the **Deliverable Obligation**). **Buyer** may notify **Seller** (in the manner given as aforesaid) that

Buyer is changing one or more Deliverable Obligations to be Delivered (to the extent such Deliverable Obligation has not previously been Delivered) or the detailed description thereof, but each such notice must be effective on or prior to the Physical Settlement Date (determined without reference to any such change). Notwithstanding the foregoing, Buyer may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations by notice to the Seller (given as aforesaid) prior to the relevant Delivery Date.

If an effective Notice of Physical Settlement is not delivered by Buyer on or before the thirtieth calendar day after the Event Determination Date (subject to adjustment in accordance with any specified Business Day Convention), such thirtieth calendar day shall be the Termination Date.

A form of Notice of Physical Settlement is set forth in Exhibit C.

Section 3.5. Publicly Available Information. "Publicly Available Information" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either of the parties or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (ii) is information received from or published by (A) a Reference Entity that is not a party to the relevant Credit Derivative Transaction (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in Section 4.2(d) against or by a Reference Entity or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that with respect to a Credit Derivative Transaction in which the Buyer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Buyer shall be required to deliver to Seller a certificate signed by a Managing Director (or other substantively equivalent title) of the Buyer, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

(c) In relation to any information of the type described in Section 3.5(a)(ii), (iii) and (iv), the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

(d) **Publicly Available Information** need not state (i) in relation to **Section 2.25**, the percentage of **Voting Shares** owned, directly or indirectly, by the **Reference Entity** and (ii) that such occurrence (A) has met the **Payment Requirement** or **Default Requirement**, (B) is the result of exceeding any applicable **Grace Period** or (C) has met the subjective criteria specified in certain **Credit Events**.

Section 3.6. Notice of Publicly Available Information. "Notice of Publicly Available Information" means an irrevocable notice from the party delivering the relevant **Credit Event Notice** or **Repudiation/Moratorium Extension Notice** (which may be by telephone) to the other party that cites **Publicly Available Information** confirming the occurrence of the **Credit Event** or **Potential Repudiation/Moratorium**, as applicable, described in the **Credit Event Notice** or **Repudiation/Moratorium Extension Notice**. In relation to a **Repudiation/Moratorium Credit Event**, the Notice of Publicly Available Information must cite **Publicly Available Information** confirming the occurrence of both clauses (i) and (ii) of the definition of **Repudiation/Moratorium**. The notice given must contain a copy, or a description in reasonable detail, of the relevant **Publicly Available Information**. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set forth in **Section 1.10**. If Notice of Publicly Available Information is applicable to a **Credit Derivative Transaction** and a **Credit Event Notice** or **Repudiation/Moratorium Extension Notice**, as applicable, contains **Publicly Available Information**, such **Credit Event Notice** or **Repudiation/Moratorium Extension Notice** will also be deemed to be a Notice of Publicly Available Information. A form of Notice of Publicly Available Information (which may be a part of the form of **Credit Event Notice** or **Repudiation/Moratorium Extension Notice**) is set forth in **Exhibits B** and **D**.

Section 3.7. Public Source. "Public Source" means each source of **Publicly Available Information** specified as such in the related **Confirmation** (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the **Reference Entity** is organized and any other internationally recognized published or electronically displayed news sources).

Section 3.8. Specified Number. "Specified Number" means the number of Public Sources specified in the related **Confirmation** (or, if a number is not so specified, two).

Section 3.9. Credit Event Notice After Restructuring. Unless specified otherwise in a **Confirmation**, upon the occurrence of a **Restructuring** Credit Event during the **Term** of the **Credit Derivative Transaction**:

(a) a **Notifying Party** may deliver multiple **Credit Event Notices** with respect to such **Restructuring** Credit Event, each such **Credit Event Notice** setting forth the amount of the **Floating Rate Payer Calculation Amount** to which such **Credit Event Notice** applies (the "Exercise Amount");

(b) if the **Notifying Party** has delivered a **Credit Event Notice** that specifies an Exercise Amount that is less than the then outstanding **Floating Rate Payer Calculation Amount**, the

rights and obligations of the parties shall, with effect from the date such **Credit Event Notice** is effective, be construed as if the parties had entered into two **Credit Derivative Transactions**, one of which has a **Floating Rate Payer Calculation Amount** equal to the **Exercise Amount** and, upon satisfaction of the **Conditions to Settlement**, will be settled in accordance with the applicable **Settlement Method**, and the other of which will have a **Floating Rate Payer Calculation Amount** equal to the **Floating Rate Payer Calculation Amount** outstanding prior to such **Credit Event Notice** minus the **Exercise Amount** and will continue in effect with such modifications required as determined by the **Calculation Agent** (in consultation with the parties) to preserve the economic effects of the two **Credit Derivative Transactions** considered in the aggregate;

(c) the **Exercise Amount** in connection with a **Credit Event Notice** describing a **Credit Event** other than a **Restructuring** must be equal to the then outstanding **Floating Rate Payer Calculation Amount** (and not a portion thereof); and

(d) the **Exercise Amount** in connection with a **Credit Event Notice** describing a **Restructuring** must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the **Floating Rate Payer Calculation Amount** is denominated or an integral multiple thereof or the entire then outstanding **Floating Rate Payer Calculation Amount**.

ARTICLE IV

CREDIT EVENTS

Section 4.1. Credit Event. "Credit Event" means, with respect to a **Credit Derivative Transaction**, one or more of Bankruptcy, **Failure to Pay**, Obligation Acceleration, **Obligation Default**, **Repudiation/Moratorium** or **Restructuring**, as specified in the related **Confirmation**. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon: (a) any lack or alleged lack of authority or capacity of a **Reference Entity** to enter into any **Obligation** or, as applicable, an **Underlying Obligor** to enter into any **Underlying Obligation**, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any **Obligation** or, as applicable, any **Underlying Obligation**, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Section 4.2. Bankruptcy. "Bankruptcy" means a **Reference Entity** (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

Section 4.3. Obligation Acceleration. "Obligation Acceleration" means one or more **Obligations** in an aggregate amount of not less than the **Default Requirement** have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described),

other than a failure to make any required payment, in respect of a [Reference Entity](#) under one or more [Obligations](#).

Section 4.4. Obligation Default. "Obligation Default" means one or more [Obligations](#) in an aggregate amount of not less than the [Default Requirement](#) have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a [Reference Entity](#) under one or more [Obligations](#).

Section 4.5. Failure to Pay. "Failure to Pay" means, after the expiration of any applicable [Grace Period](#) (after the satisfaction of any conditions precedent to the commencement of such [Grace Period](#)), the failure by a [Reference Entity](#) to make, when and where due, any payments in an aggregate amount of not less than the [Payment Requirement](#) under one or more [Obligations](#), in accordance with the terms of such [Obligations](#) at the time of such failure.

Section 4.6. Repudiation/Moratorium.

(a) "Repudiation/Moratorium" means the occurrence of both of the following events: (i) an authorized officer of a [Reference Entity](#) or a [Governmental Authority](#) (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more [Obligations](#) in an aggregate amount of not less than the [Default Requirement](#) or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more [Obligations](#) in an aggregate amount of not less than the [Default Requirement](#) and (ii) a Failure to Pay, determined without regard to the [Payment Requirement](#), or a [Restructuring](#), determined without regard to the [Default Requirement](#), with respect to any such [Obligation](#) occurs on or prior to the Repudiation/Moratorium Evaluation Date.

(b) Repudiation/Moratorium Evaluation Date. "Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the [Scheduled Termination Date](#), (i) if the [Obligations](#) to which such Potential Repudiation/Moratorium relates include [Bonds](#), the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such [Bond](#) after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable [Grace Period](#) in respect of such payment date) and (ii) if the [Obligations](#) to which such Potential Repudiation/Moratorium relates do not include [Bonds](#), the date that is 60 days after the date of such Potential Repudiation/Moratorium. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) an [Event Determination Date](#) in respect of that Repudiation/Moratorium does not occur during the [Notice Delivery Period](#), the Repudiation/Moratorium Evaluation Date will be the [Termination Date](#) (even if a Repudiation/Moratorium occurs after the [Scheduled Termination Date](#)).

(c) Potential Repudiation/Moratorium. "Potential Repudiation/Moratorium" means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.

(d) Repudiation/Moratorium Extension Condition. The "Repudiation/Moratorium Extension Condition" is satisfied by the delivery of a

Repudiation/Moratorium Extension Notice and, if specified as applicable in the related [Confirmation](#), [Notice of Publicly Available Information](#) by the [Notifying Party](#) to the other party that is effective during the period described in clause (a) of the definition of [Notice Delivery Period](#).

(e) Repudiation/Moratorium Extension Notice. "Repudiation/Moratorium Extension Notice" means an irrevocable notice (which may be by telephone) from the [Notifying Party](#) to the other party that describes a [Potential Repudiation/Moratorium](#) that occurred on or after the [Effective Date](#) and on or prior to the [Scheduled Termination Date](#). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a [Potential Repudiation/Moratorium](#) has occurred and indicate the date of the occurrence. The [Potential Repudiation/Moratorium](#) that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices set forth in [Section 1.10](#). A form of Repudiation/Moratorium Extension Notice is set forth in [Exhibit D](#).

Section 4.7. Restructuring.

(a) "Restructuring" means that, with respect to one or more [Obligations](#) and in relation to an aggregate amount of not less than the [Default Requirement](#), any one or more of the following events occurs in a form that binds all holders of such [Obligation](#), is agreed between the [Reference Entity](#) or a [Governmental Authority](#) and a sufficient number of holders of such [Obligation](#) to bind all holders of the [Obligation](#) or is announced (or otherwise decreed) by a [Reference Entity](#) or a [Governmental Authority](#) in a form that binds all holders of such [Obligation](#), and such event is not expressly provided for under the terms of such [Obligation](#) in effect as of the later of the [Trade Date](#) and the date as of which such [Obligation](#) is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any [Obligation](#), causing the [Subordination](#) of such [Obligation](#) to any other [Obligation](#); or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

(A) "Permitted Currency" means (1) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term

debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

(b) Notwithstanding the provisions of [Section 4.7\(a\)](#), none of the following shall constitute a [Restructuring](#):

(i) the payment in euros of interest or principal in relation to an [Obligation](#) denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in [Section 4.7\(a\)\(i\)](#) to [\(v\)](#) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

(iii) the occurrence of, agreement to or announcement of any of the events described in [Section 4.7\(a\)\(i\)](#) to [\(v\)](#) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the [Reference Entity](#).

(c) For purposes of [Sections 4.7\(a\)](#), [4.7\(b\)](#) and [4.9](#), the term [Obligation](#) shall be deemed to include [Underlying Obligations](#) for which the [Reference Entity](#) is acting as provider of a [Qualifying Affiliate Guarantee](#) or, if All Guarantees is specified as applicable in the related [Confirmation](#), as provider of any [Qualifying Guarantee](#). In the case of a [Qualifying Guarantee](#) and an [Underlying Obligation](#), references to the [Reference Entity](#) in [Section 4.7\(a\)](#) shall be deemed to refer to the [Underlying Obligor](#) and the reference to the [Reference Entity](#) in [Section 4.7\(b\)](#) shall continue to refer to the [Reference Entity](#).

Section 4.8. Certain Definitions Relating to Credit Events.

(a) **Default Requirement.** "Default Requirement" means the amount specified as such in the related [Confirmation](#) or its equivalent in the relevant [Obligation](#) Currency or, if Default Requirement is not so specified, USD 10,000,000 or its equivalent in the relevant [Obligation](#) Currency, in either case as of the occurrence of the relevant [Credit Event](#).

(b) **Governmental Authority.** "Governmental Authority" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a [Reference Entity](#) or of the jurisdiction of organization of a [Reference Entity](#).

(c) **Obligation Currency.** "Obligation Currency" means the currency or currencies in which an [Obligation](#) is denominated.

(d) Payment Requirement. "Payment Requirement" means the amount specified as such in the related **Confirmation** or its equivalent in the relevant **Obligation Currency** or, if Payment Requirement is not so specified, USD 1,000,000 or its equivalent in the relevant **Obligation Currency**, in either case as of the occurrence of the relevant **Failure to Pay** or **Potential Failure to Pay**, as applicable.

Section 4.9. Limitation on Obligations in Connection with Section 4.7. Unless Multiple Holder Obligation is specified as not applicable in the related **Confirmation**, then, notwithstanding anything to the contrary in **Section 4.7**, the occurrence of, agreement to or announcement of any of the events described in **Section 4.7(a)(i) to (v)** shall not be a **Restructuring** unless the **Obligation** in respect of any such events is a Multiple Holder Obligation.

(a) "Multiple Holder Obligation" means an **Obligation** that (i) at the time of the event which constitutes a **Restructuring** Credit Event is held by more than three holders that are not **Affiliates** of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the **Obligation** as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a **Restructuring** Credit Event.

ARTICLE V

FIXED AMOUNTS

Section 5.1. Calculation of Fixed Amount. The **Fixed Amount** payable by a **Fixed Rate Payer** on a **Fixed Rate Payer Payment Date** will be:

(a) if an amount is specified in the related **Confirmation** as the **Fixed Amount** payable by the **Fixed Rate Payer** for that **Fixed Rate Payer Payment Date** or for the related **Fixed Rate Payer Calculation Period**, such amount; or

(b) if an amount is not specified in the related **Confirmation** as the **Fixed Amount** payable by the **Fixed Rate Payer** for that **Fixed Rate Payer Payment Date** or for the related **Fixed Rate Payer Calculation Period**, an amount calculated on a formula basis for that **Fixed Rate Payer Payment Date** or for the related **Fixed Rate Payer Calculation Period** as follows:

$$\begin{array}{rcccl} \text{Fixed} & & \text{Fixed Rate Payer} & & \text{Fixed} & & \text{Fixed Rate} \\ \text{Amount} & = & \text{Calculation} & \times & \text{Rate} & \times & \text{Day Count} \\ & & \text{Amount} & & & & \text{Fraction} \end{array}$$

Section 5.2. Fixed Rate. "Fixed Rate" means, for any **Fixed Rate Payer Payment Date** or for any **Fixed Rate Payer Calculation Period** in respect of a **Fixed Rate Payer Payment Date**, a rate, expressed as a decimal, equal to the per annum rate specified in the related **Confirmation**.

Section 5.3. Fixed Rate Day Count Fraction. "Fixed Rate Day Count Fraction" means, in respect of a **Credit Derivative Transaction** and the calculation of a **Fixed Amount**:

(a) if "Actual/365" or "Actual/Actual" is specified in the **Confirmation**, the actual number of days in the **Fixed Rate Payer Calculation Period** in respect of which payment is being made divided by 365 (or, if any portion of that **Fixed Rate Payer Calculation Period** falls in a leap year, the sum of (i) the actual number of days in that portion of the **Fixed Rate Payer Calculation Period** falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the **Fixed Rate Payer Calculation Period** falling in a non-leap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the **Confirmation**, the actual number of days in the **Fixed Rate Payer Calculation Period** in respect of which payment is being made divided by 365;

(c) if "Actual/360", "Act/360" or "A/360" is specified in the **Confirmation**, the actual number of days in the **Fixed Rate Payer Calculation Period** in respect of which payment is being made divided by 360;

(d) if "30/360" or "Bond Basis" is specified in the **Confirmation**, the number of days in the **Fixed Rate Payer Calculation Period** in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve thirty-day months (unless (i) the last day of the **Fixed Rate Payer Calculation Period** is the thirty-first day

of a month but the first day of the **Fixed Rate Payer Calculation Period** is a day other than the thirtieth or thirty-first day of a month, in which case the month that includes that last day shall not be considered to be shortened to a thirty-day month, or (ii) the last day of the **Fixed Rate Payer Calculation Period** is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a thirty-day month);

(e) if "30E/360" or "Eurobond Basis" is specified, the number of days in the **Fixed Rate Payer Calculation Period** in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve thirty-day months, without regard to the date of the first day or last day of the **Fixed Rate Payer Calculation Period** unless, in the case of the final **Fixed Rate Payer Calculation Period**, the last day of the final **Fixed Rate Payer Calculation Period** is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a thirty-day month); and

(f) if neither "Actual/365", "Actual/Actual", "Actual/365 (Fixed)", "Actual/360", "Act/360", "A/360", "30/360", "Bond Basis", "30E/360" nor "Eurobond Basis" is specified in relation to a **Credit Derivative Transaction**, the **Fixed Rate Day Count Fraction** shall be "Actual/360".

Section 5.4. Relating Fixed Rate Payer Payments to Fixed Rate Payer Calculation Periods. Unless specified otherwise in the related **Confirmation**, where the **Fixed Amount** is calculated by reference to a **Fixed Rate Payer Calculation Period**, the **Fixed Amount** applicable to a **Fixed Rate Payer Payment Date** will be the **Fixed Amount** calculated with reference to the **Fixed Rate Payer Calculation Period** ending on, but excluding, the **Fixed Rate Payer Period End Date** that is (or is closest in time to) that **Fixed Rate Payer Payment Date** or, in the case of the final **Fixed Rate Payer Calculation Period**, ending on, and including, the earlier to occur of the **Scheduled Termination Date** and the **Event Determination Date**.

ARTICLE VI

GENERAL TERMS RELATING TO SETTLEMENT

Section 6.1. Settlement Method. "Settlement Method" means, with respect to a [Credit Derivative Transaction](#), (a) if [Cash Settlement](#) is specified in the related [Confirmation](#) or is deemed to be applicable, [Cash Settlement](#) or (b) if [Physical Settlement](#) is specified in the related [Confirmation](#), [Physical Settlement](#).

Section 6.2. Settlement Date. "Settlement Date" means either the [Cash Settlement Date](#) or the [Physical Settlement Date](#), as applicable.

Section 6.3. Settlement Currency. "Settlement Currency" means the currency specified as such in the related [Confirmation](#) or, if no currency is so specified, the currency of denomination of the [Floating Rate Payer Calculation Amount](#).

ARTICLE VII

TERMS RELATING TO CASH SETTLEMENT

Section 7.1. Cash Settlement. If "Cash Settlement" is specified in relation to a [Credit Derivative Transaction](#) or is deemed to apply pursuant to [Section 9.3, 9.4, 9.5 or 9.6](#), Seller shall, subject to [Section 3.1](#), pay to Buyer the Cash Settlement Amount on the Cash Settlement Date.

Section 7.2. Cash Settlement Date. "Cash Settlement Date" means (a) if the Cash Settlement Amount is not specified in the related [Confirmation](#), the date that is the number of [Business Days](#) specified in the related [Confirmation](#) (or, if a number of [Business Days](#) is not so specified, three [Business Days](#)) following the calculation of the Final Price and (b) if the Cash Settlement Amount is specified in the related [Confirmation](#), the date that is the number of [Business Days](#) specified in the related [Confirmation](#) (or, if a number of [Business Days](#) is not so specified, three [Business Days](#)) following the satisfaction of all [Conditions to Settlement](#). The Cash Settlement Date shall be the [Termination Date](#).

Section 7.3. Cash Settlement Amount. "Cash Settlement Amount" means the amount specified as such in the related [Confirmation](#) or, if an amount is not specified, the greater of (a) (i) the [Floating Rate Payer Calculation Amount](#) multiplied by (ii) the [Reference Price](#) minus the Final Price and (b) zero.

Section 7.4. Final Price. "Final Price" means the price of the [Reference Obligation](#), expressed as a percentage, determined in accordance with the specified [Valuation Method](#). The [Calculation Agent](#) shall, as soon as practicable after obtaining all [Quotations](#) for a [Valuation Date](#), notify the parties in writing of each such [Quotation](#) that it receives in connection with the calculation of the Final Price and shall provide to the parties a written computation showing its calculation of the Final Price.

Section 7.5. Valuation Method.

(a) The following [Valuation Methods](#) may be specified in the related [Confirmation](#) for a [Credit Derivative Transaction](#) with only one [Reference Obligation](#) and only one [Valuation Date](#):

(i) "Market" means the [Market Value](#) determined by the [Calculation Agent](#) with respect to the [Valuation Date](#); or

(ii) "Highest" means the highest [Quotation](#) obtained by the [Calculation Agent](#) (or in accordance with [Section 7.7\(b\)](#)) with respect to the [Valuation Date](#).

If no such [Valuation Method](#) is specified in the related [Confirmation](#), the [Valuation Method](#) shall be Highest.

(b) The following **Valuation Methods** may be specified in the related **Confirmation** for a **Credit Derivative Transaction** with only one **Reference Obligation** and more than one **Valuation Date**:

(i) "Average Market" means the unweighted arithmetic mean of the **Market Values** determined by the **Calculation Agent** with respect to each **Valuation Date**; or

(ii) "Highest" means the highest **Quotation** obtained by the **Calculation Agent** (or in accordance with Section 7.7(b)) with respect to any **Valuation Date**; or

(iii) "Average Highest" means the unweighted arithmetic mean of the highest **Quotations** obtained by the **Calculation Agent** (or in accordance with Section 7.7(b)) with respect to each **Valuation Date**.

If no such **Valuation Method** is specified, the **Valuation Method** shall be Average Highest.

(c) The following **Valuation Methods** may be specified for a **Credit Derivative Transaction** with more than one **Reference Obligation** and only one **Valuation Date**:

(i) "Blended Market" means the unweighted arithmetic mean of the **Market Values** for each **Reference Obligation** determined by the **Calculation Agent** with respect to the **Valuation Date**; or

(ii) "Blended Highest" means the unweighted arithmetic mean of the highest **Quotations** obtained by the **Calculation Agent** (or in accordance with Section 7.7(b)) for each **Reference Obligation** with respect to the **Valuation Date**.

If no such **Valuation Method** is specified, the **Valuation Method** shall be Blended Highest.

(d) The following **Valuation Methods** may be specified for a **Credit Derivative Transaction** with more than one **Reference Obligation** and more than one **Valuation Date**:

(i) "Average Blended Market" means, using values with respect to each **Valuation Date** determined by the **Calculation Agent** in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each **Valuation Date**; or

(ii) "Average Blended Highest" means, using values with respect to each **Valuation Date** determined by the **Calculation Agent** in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each **Valuation Date**.

If no such **Valuation Method** is specified, the **Valuation Method** shall be Average Blended Highest.

(e) Notwithstanding Section 7.5(a) through (d), if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, or Blended Market or Average Blended Market, as the case may be.

Section 7.6. Market Value. "Market Value" means, with respect to a Reference Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to Section 7.7(b), an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained within the additional five Business Day period set forth in Section 7.7(b), the Market Value shall be determined as provided in Section 7.7(b).

Section 7.7. Quotation. "Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.

(b) If the Calculation Agent is a party to the Credit Derivative Transaction and is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, then the party that is not the Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If such party is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method. If such party is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers at the Valuation Time on such fifth Business Day with respect to the aggregate portion of the Quotation Amount for which such

quotations were obtained and a quotation deemed to be zero for the balance of the **Quotation Amount** for which firm quotations were not obtained on such day. If the **Calculation Agent** is a third party and is unable to obtain two or more **Full Quotations** or a **Weighted Average Quotation** on the same **Business Day** on or prior to the tenth **Business Day** following the applicable Valuation Date, **Buyer** and **Seller** each may attempt to obtain **Full Quotations** from five or more **Dealers** and, if two or more **Full Quotations** are not available, a **Weighted Average Quotation**. If either or both parties is (or are) able to obtain two or more **Full Quotations** or a **Weighted Average Quotation** on the same **Business Day** within an additional five **Business Days**, the **Calculation Agent** shall use all such **Full Quotations** or **Weighted Average Quotations** to determine the **Final Price** in accordance with the specified **Valuation Method**. If the parties are unable to obtain between them two or more **Full Quotations** or a **Weighted Average Quotation** on the same **Business Day** within an additional five **Business Days**, the **Quotations** shall be deemed to be any **Full Quotation** obtained from a **Dealer** at the **Valuation Time** on such fifth **Business Day** or, if no **Full Quotation** is obtained, the weighted average of any firm quotations for the **Reference Obligation** obtained from **Dealers** at the **Valuation Time** on such fifth **Business Day** with respect to the aggregate portion of the **Quotation Amount** for which such quotations were obtained and a quotation deemed to be zero for the balance of the **Quotation Amount** for which firm quotations were not obtained on such day.

(c) (i) If "**Include Accrued Interest**" is specified in the related **Confirmation** in respect of **Quotations**, such **Quotations** shall include accrued but unpaid interest; (ii) if "**Exclude Accrued Interest**" is specified in the related **Confirmation** in respect of **Quotations**, such **Quotations** shall not include accrued but unpaid interest; and (iii) if neither "**Include Accrued Interest**" nor "**Exclude Accrued Interest**" is specified in the related **Confirmation** in respect of **Quotations**, the **Calculation Agent** shall determine, after consultation with the parties, based on then current market practice in the market of the **Reference Obligation**, whether such **Quotations** shall include or exclude accrued but unpaid interest. All **Quotations** shall be obtained in accordance with this specification or determination.

(d) If any **Quotation** obtained with respect to an **Accreting Obligation** is expressed as a percentage of the amount payable in respect of such obligation at maturity, such **Quotation** will instead be expressed as a percentage of the **outstanding principal balance** (as defined in **Section 8.7(a)(i)**) for purposes of determining the **Final Price**.

Section 7.8. Valuation Date. "Valuation Date" means:

(a) if "**Single Valuation Date**" is specified in the related **Confirmation**, the date that is the number of **Business Days** specified in the related **Confirmation** after satisfaction of all **Conditions to Settlement** or, if the number of **Business Days** is not so specified, five **Business Days**, and (b) if "**Multiple Valuation Dates**" is specified in the related **Confirmation**, each of the following dates:

(i) the date that is the number of **Business Days** specified in the related **Confirmation** after satisfaction of all **Conditions to Settlement** (or, if the number of **Business Days** is not so specified, five **Business Days**); and

(ii) each successive date that is the number of **Business Days** specified in the related **Confirmation** (or, if the number of **Business Days** is not so specified, five

Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the related Confirmation (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the related Confirmation, Single Valuation Date shall apply.

Section 7.9. Quotation Method. The applicable Quotation Method may be specified in the related Confirmation by reference to one of the following terms:

- (a) "Bid" means that only bid quotations shall be requested from Dealers;
- (b) "Offer" means that only offer quotations shall be requested from Dealers; or
- (c) "Mid-market" means that bid and offer quotations shall be requested from Dealers and shall be averaged for purposes of determining a relevant Dealer's quotation.

If a Quotation Method is not specified in the related Confirmation, Bid shall apply.

Section 7.10. Full Quotation. "Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an outstanding principal balance equal to the Quotation Amount.

Section 7.11. Weighted Average Quotation. "Weighted Average Quotation" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

Section 7.12. Quotation Amount. "Quotation Amount" means the amount specified as such in the related Confirmation (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the Floating Rate Payer Calculation Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Section 7.13. Minimum Quotation Amount. "Minimum Quotation Amount" means the amount specified as such in the related Confirmation (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

Section 7.14. Valuation Time. "Valuation Time" means the time specified as such in the related [Confirmation](#) or, if no time is so specified, 11:00 a.m. in the principal trading market for the [Reference Obligation](#).

Section 7.15. Dealer. "Dealer" means a dealer (other than one of the parties or any [Affiliate](#) of one of the parties, unless otherwise specified in the related [Confirmation](#)) in obligations of the type of [Obligation\(s\)](#) for which [Quotations](#) are to be obtained, including each Dealer specified in the related [Confirmation](#). If no Dealers are specified in the related [Confirmation](#), the [Calculation Agent](#) shall select the Dealers in consultation with the parties, provided that in the case of [Section 9.9](#), [Seller](#) shall select the Dealers in good faith and in a commercially reasonable manner. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which [Quotations](#) are to be obtained, the [Calculation Agent](#) may substitute any other Dealer(s) for one or more of the foregoing after consultation with the parties.

Section 7.16. Representative Amount. "Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the [Calculation Agent](#) in consultation with the parties.

ARTICLE VIII

TERMS RELATING TO PHYSICAL SETTLEMENT

Section 8.1. Physical Settlement. If "Physical Settlement" is specified in relation to a [Credit Derivative Transaction](#), Buyer shall, subject to [Sections 3.1](#) and [9.2\(c\)\(ii\)](#), on or prior to the [Physical Settlement Date](#), Deliver to Seller the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) and Seller shall pay to Buyer the [Physical Settlement Amount](#) that corresponds to the [Deliverable Obligations](#) that Buyer has Delivered. If Buyer Delivers [Deliverable Obligations](#) in an amount greater than the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#), Seller shall not be required to pay more than the [Physical Settlement Amount](#) that corresponds to the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#). For purposes of the foregoing, Delivery by Buyer and payment by Seller shall be made in accordance with market practice applicable to the [Deliverable Obligation](#) on the [Delivery Date](#).

In the case of [Deliverable Obligations](#) that are [Borrowed Money](#), (i) Buyer shall Deliver [Deliverable Obligations](#) with an [outstanding principal balance](#) (including accrued but unpaid interest (as determined by the [Calculation Agent](#) after consultation with the parties) if "[Include Accrued Interest](#)" is specified in the related [Confirmation](#), but excluding accrued but unpaid interest if "[Exclude Accrued Interest](#)" is specified in the related [Confirmation](#), and if neither "[Include Accrued Interest](#)" nor "[Exclude Accrued Interest](#)" is specified in the related [Confirmation](#), excluding accrued but unpaid interest) and (ii) in the case of [Deliverable Obligations](#) that are not [Borrowed Money](#), Buyer shall Deliver [Deliverable Obligations](#) with a [Due and Payable Amount](#) (or, in the case of either (i) or (ii), the equivalent [Currency Amount](#) of any such amount), in the aggregate amount as of the relevant [Delivery Dates](#) equal to the [Physical Settlement Amount](#).

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the [outstanding principal balance](#) of such obligation as of the [Delivery Date](#) as a result of the occurrence or nonoccurrence of an event or circumstance, the [outstanding principal balance](#) of such obligation shall not include any additional amount that would be payable upon the occurrence or nonoccurrence of such event or circumstance.

Section 8.2. Deliver. "Deliver" means to deliver, novate, transfer (including, in the case of a [Qualifying Guarantee](#), transfer of the benefit of the [Qualifying Guarantee](#)), assign or sell, as appropriate, in the manner customary for the settlement of the applicable [Deliverable Obligations](#) (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) to Seller free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in [Section 4.1\(a\)-\(d\)](#)) or right of set off by or of the [Reference Entity](#) or, as applicable, an [Underlying Obligor](#)); provided that to the extent that the [Deliverable Obligations](#) consist of [Direct Loan Participations](#), "Deliver" means to create (or procure the creation) of a participation in favor of the Seller and to the extent that the [Deliverable Obligations](#) consist of [Qualifying Guarantees](#), "Deliver" means to Deliver both the [Qualifying Guarantee](#) and the [Underlying Obligation](#). "Delivery" and "Delivered" will be construed accordingly. In the case

of a [Loan, Delivery](#) shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for [Delivery](#) of such [Loan](#) at that time.

Section 8.3. Delivery Date. "Delivery Date" means, with respect to a [Deliverable Obligation](#), the date such [Deliverable Obligation](#) is [Delivered](#).

Section 8.4. Physical Settlement Date. "Physical Settlement Date" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable [Conditions to Settlement](#). If all [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) are [Delivered](#) on or before the Physical Settlement Date, the Physical Settlement Date shall be the [Termination Date](#).

Section 8.5. Physical Settlement Amount. "Physical Settlement Amount" means the [Floating Rate Payer Calculation Amount](#) multiplied by the [Reference Price](#).

Section 8.6. Physical Settlement Period. "Physical Settlement Period" means the number of [Business Days](#) specified as such in the related [Confirmation](#) or, if a number of [Business Days](#) is not so specified, then, with respect to a [Deliverable Obligation](#) specified in the [Notice of Physical Settlement](#), the longest number of [Business Days](#) for settlement in accordance with then current market practice of such [Deliverable Obligation](#), as determined by the [Calculation Agent](#) after consultation with the parties.

Section 8.7. Provisions Applicable to Convertible, Exchangeable and Accreting Obligations.

(a)(i) With respect to any [Accreting Obligation](#), "outstanding principal balance" means the [Accreted Amount](#) thereof.

(ii) With respect to any [Exchangeable Obligation](#) that is not an [Accreting Obligation](#), "outstanding principal balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the [Equity Securities](#) for which such obligation is exchangeable.

(b)(i) "Accreted Amount" means, with respect to an [Accreting Obligation](#), an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in clause (A)(2) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the [Delivery Date](#) or applicable [Valuation Date](#), as the case may be. Such [Accreted Amount](#) shall include any accrued and unpaid periodic cash interest payments (as determined by the [Calculation Agent](#) after consultation with the parties) only if "[Include Accrued Interest](#)" is specified as being applicable. If an [Accreting Obligation](#) is expressed to accrete pursuant to a straight-line method or if such [Obligation's](#) yield to maturity is not specified in, nor implied from, the

terms of such **Obligation**, then, for purposes of clause (A)(2) above, the **Accreted Amount** shall be calculated using a rate equal to the yield to maturity of such **Obligation**. Such yield shall be determined on a semiannual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the **Delivery Date** or applicable **Valuation Date**, as the case may be. The **Accreted Amount** shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

(ii) "Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable.

(iii) "Convertible Obligation" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

(iv) "Equity Securities" means:

(A) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

(B) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

(v) "Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash

settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

Section 8.8. Due and Payable Amount. "Due and Payable Amount" means the amount that is due and payable under (and in accordance with the terms of) a [Deliverable Obligation](#) on the [Delivery Date](#), whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

Section 8.9. Currency Amount. "Currency Amount" means, whenever an amount is denominated in a currency other than the [Settlement Currency](#) and is specified in these Definitions to be determined by reference to a Currency Amount, such amount converted to the relevant [Settlement Currency](#) using the Currency Rate.

Section 8.10. Currency Rate. "Currency Rate" means (a) the rate determined by the [Calculation Agent](#) equal to the rate of conversion of the currency of the [Deliverable Obligation](#) into the [Settlement Currency](#) by reference to (i) if the [Settlement Currency](#) is U.S. Dollars, the Federal Reserve Bank of New York 10:00 a.m. (New York time) mid-point rate as displayed on Reuters Page FEDSPOT on the date the [Notice of Physical Settlement](#) is effective (or, if the [Notice of Physical Settlement](#) is changed on or prior to the [Physical Settlement Date](#), the date notice of the last such change is effective), or in such other commercially reasonable manner as it shall determine after consultation with the parties, or (ii) if the [Settlement Currency](#) is euros, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12:00 p.m. (London time) on the date the [Notice of Physical Settlement](#) is effective (or, if the [Notice of Physical Settlement](#) is changed on or prior to the [Physical Settlement Date](#), the date notice of the last such change is effective), or in such other commercially reasonable manner as it shall determine after consultation with the parties, or (b) if the [Settlement Currency](#) is not U.S. Dollars or euros, the rate determined by the [Calculation Agent](#) in a commercially reasonable manner after consultation with the parties. Corrections of errors or inconsistencies in the detailed description of the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) do not constitute changes for purposes of this Section 8.10.

Section 8.11. Escrow.

(a) "Escrow" means, if Escrow is specified in the related [Confirmation](#) as applicable, either party may require that [Physical Settlement](#) take place through the use of an Escrow Agent. Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the party requiring such arrangement.

(b) If a party requires that [Physical Settlement](#) take place through an Escrow Agent, [Delivery](#) to the Escrow Agent by a party must occur within the time required for [Physical Settlement](#) as if there were no Escrow Agent.

(c) "Escrow Agent" means a financial institution that the parties to a [Credit Derivative Transaction](#) specify as such in the related [Confirmation](#) (or, if a person is not so specified, an independent third party financial institution specified by [Buyer](#) prior to the [Physical Settlement Date](#), subject to the terms of the escrow arrangement).

ARTICLE IX

ADDITIONAL REPRESENTATIONS AND AGREEMENTS OF THE PARTIES

Section 9.1. Additional Representations and Agreements of the Parties.

(a) Buyer and Seller shall each be deemed to represent to the other party on the Trade Date of a Credit Derivative Transaction that, in connection with such Credit Derivative Transaction, neither the other party nor any of the other party's Affiliates has made any representation whatsoever with respect to the Reference Entity, any Reference Obligation, any Obligation, any Deliverable Obligation, any Underlying Obligor or any Underlying Obligation on which it is relying or is entitled to rely.

(b) At the time a Credit Derivative Transaction is entered into, Buyer and Seller shall each be deemed to agree with the other that, so long as either party has or may have any obligation under such Credit Derivative Transaction:

(i) the parties will be obligated to perform, subject to Section 3.1, in accordance with the Settlement Method applicable to such Credit Derivative Transaction, irrespective of the existence or amount of the parties' credit exposure to a Reference Entity, and Buyer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event;

(ii) such Credit Derivative Transaction does not create any rights or impose any obligations in respect of any entity that is not a party to such Credit Derivative Transaction;

(iii) each party and its Affiliates and the Calculation Agent may deal in each Reference Obligation, Obligation, Deliverable Obligation or Underlying Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity, any Affiliate of a Reference Entity, any Underlying Obligor or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor, and may act with respect to such business in the same manner as each of them would if such Credit Derivative Transaction did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any Underlying Obligor or the position of the other party to such Credit Derivative Transaction or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event);

(iv) each party and its Affiliates and the Calculation Agent may, whether by virtue of the types of relationships described herein or otherwise, on the Trade Date or at any time thereafter, be in possession of information in relation to a Reference Entity or any Underlying Obligor that is or may be material in the context of such Credit Derivative Transaction and that may or may not be publicly available or known to the other party, and such Credit Derivative Transaction does not create any obligation on the part of such party, its Affiliates or the Calculation Agent to

disclose to the other party any such relationship or information (whether or not confidential); and

(v) unless it is otherwise bound by or subject to a confidentiality obligation or agreement, a party receiving any information from the other party with respect to such **Credit Derivative Transaction** shall not become subject to any obligation of confidentiality in respect of that information and the transferor of such information shall indemnify and hold harmless the transferee for any loss, liability, claim, damage and expense whatsoever incurred by the transferee arising out of the breach of any law or understanding or agreement with respect to the confidentiality of that information to which the transferor may be party.

Section 9.2. Additional Representations and Agreements for Physical Settlement.

(a) If **Physical Settlement** applies to a **Credit Derivative Transaction** (except in relation to **Direct Loan Participations**), **Buyer** shall be deemed to represent to **Seller** on each **Delivery Date** (which representation shall survive any such **Delivery Date**) that it has conveyed (or, if applicable, caused to be conveyed) to **Seller** (or, if applicable, its **designee**) all right, title and interest in the **Deliverable Obligations** being **Delivered** on such date free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in **Section 4.1(a)-(d)**) or right of set off by or of the **Reference Entity** or, as applicable, an **Underlying Obligor**). Subject to reasonable verification by **Buyer**, **Buyer** shall indemnify and hold harmless **Seller** for any loss, liability, claim, damage and expense whatsoever incurred arising out of **Buyer's** breach of the representations contained in this Section 9.2(a). The indemnification in the preceding sentence shall survive the **Termination Date**. Any breach of the representations contained in this Section 9.2(a) shall not constitute an event of default as agreed to between the parties in any master agreement governing the **Credit Derivative Transaction**.

(b) If **Physical Settlement** applies to a **Credit Derivative Transaction**, **Buyer** shall be deemed to represent to **Seller** on each **Delivery Date** (which representation shall survive any such **Delivery Date**) that, unless **Seller** has received an indemnity acceptable to **Seller** from **Buyer** with respect to the following, **Delivery** of such **Deliverable Obligations** to **Seller** and transfer of such **Deliverable Obligations** by **Seller** to a third party will not require or cause **Seller** to assume, and will not subject **Seller** to, any obligation, liability or commitment to lend additional funds (including any outstanding contingent commitment) (in each case other than (i) immaterial, nonpayment obligations and any assignment or transfer fee in respect of **Loans** and (ii) obligations arising under customary provisions in respect of **Borrowed Money**, including but not limited to requirements that holders thereof indemnify or reimburse a trustee, administrative or fiscal agent or similar person or entity for costs, liabilities or expenses and customary pro rata sharing provisions requiring any amount received by a lender through payment, set-off or otherwise other than through the procedures set forth in the relevant **Loan** documentation to be shared with other lenders).

(c) If **Physical Settlement** applies to a **Credit Derivative Transaction**:

(i) **Buyer** and **Seller** agree (which agreement shall survive the **Termination Date**) to execute, deliver, file and record any specific assignment, novation or other document and to take any other action that may be necessary or customary or desirable and reasonably requested by the other party in connection with **Buyer's Delivery** of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** (including demonstrating to the reasonable satisfaction of **Seller** that **Buyer** has taken all reasonable steps to obtain any requisite consents and keeping **Seller** apprised of any occurrence of which **Buyer** is (or reasonably should be) aware that may affect **Buyer's** ability to **Deliver** to **Seller Deliverable Obligations** as specified in the **Notice of Physical Settlement**) and **Buyer** and **Seller** agree to cooperate reasonably in connection with the foregoing;

(ii) Subject to **Sections 9.3, 9.4, 9.5, 9.6, 9.9** and **9.10**, **Buyer** may **Deliver** only the **Deliverable Obligations** specified in the **Notice of Physical Settlement** and only in the amounts specified therein. **Buyer** may continue to attempt to **Deliver** the whole of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** (x) in the case of **Deliverable Obligations** that are Bonds or Loans, after the **Physical Settlement Date** and (y) in the case of **Deliverable Obligations** that are not Bonds or Loans, for an additional five **Business Days** after the **Physical Settlement Date**. If **Buyer** fails to **Deliver Deliverable Obligations** as specified in the **Notice of Physical Settlement**, such failure shall not constitute an event of default as agreed to between the parties in any master agreement governing the **Credit Derivative Transaction**. Subject to **Sections 9.3, 9.4, 9.5** and **9.6**, the latest of (A) the date that **Buyer** completes **Delivery** of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** (or, if such **Delivery** includes **Deliverable Obligations** that are not Bonds or Loans, the later of (1) the date that **Buyer** completes **Delivery** of the **Deliverable Obligations** that are Bonds or Loans and (2) the date that is five **Business Days** after the **Physical Settlement Date**), (B) the date that **Seller** completes a buy-in pursuant to **Section 9.9** with respect to all **Bonds** specified in the **Notice of Physical Settlement** that **Buyer** has failed to **Deliver** (or, if earlier, the latest date all such **Bonds** cease to exist) and (C) the date that alternative delivery pursuant to **Section 9.10** has been completed with respect to all **Loans** specified in the **Notice of Physical Settlement** that **Buyer** has failed to **Deliver**, shall be deemed to be the **Termination Date**;

(iii) if an event that would otherwise constitute or give rise to an impossibility or illegality under **Section 9.3** occurs and would also constitute an event which would entitle a party to terminate such **Credit Derivative Transaction** under a master agreement governing the **Credit Derivative Transaction**, it will be governed by **Section 9.3** and will not entitle a party to terminate such **Credit Derivative Transaction** under a master agreement governing the **Credit Derivative Transaction**;

(iv) either party (the "designator") may designate any of its **Affiliates** (the "designee") to **Deliver** or take **Delivery**, as the case may be, and otherwise to perform such party's obligations to **Deliver** or take **Delivery**, as the case may be, in respect of

a **Credit Derivative Transaction** and the **designee** may assume such obligations. Such designation shall not relieve the **designator** of any of its obligations under such **Credit Derivative Transaction**. If the **designee** has performed the obligations of the **designator** under such **Credit Derivative Transaction**, then the **designator** shall be discharged of its obligations to the other party to the extent of such performance. If, as a result of such designation, (A) it would be illegal due to any applicable law or regulation for the **designee** to so **Deliver** or take **Delivery**, the **designator** shall not be permitted to designate such **designee** to **Deliver** or to take **Delivery** or (B) such **Delivery** would give rise to any **Tax** or any loss or cost to the non-designating party, then the **designator** shall not be permitted to designate such **designee** to **Deliver** or to take **Delivery** unless the non-designating party has received an indemnity acceptable to it from the designating party with respect to such **Tax**, loss or cost;

(v) unless otherwise specified in a **Confirmation**, any recordation, processing or similar fee reasonably incurred by **Buyer** and payable to the agent under a **Loan** in connection with an assignment (where **Deliverable Obligations** include **Assignable Loans** or **Consent Required Loans**) or participation (where **Deliverable Obligations** include **Direct Loan Participations**) shall be payable by **Buyer** and **Seller** equally on the **Delivery Date** or **Latest Permissible Physical Settlement Date**, as applicable; and

(vi) notwithstanding any other provision of the **Credit Derivative Transaction**, if any **Stamp Tax** is payable in connection with the **Delivery** of (A) the **Reference Obligation** (or other **Deliverable Obligations** of the same type as the **Reference Obligation**), payment of such **Stamp Tax** shall be made by the party that would in the ordinary course bear such cost under a contract for purchase of the **Reference Obligation** or (B) other **Deliverable Obligations**, payment of such **Stamp Tax** shall be made by **Buyer**.

Section 9.3. Partial Cash Settlement Due to Impossibility or Illegality. If, due to an event beyond the control of **Buyer**, it is impossible or illegal for **Buyer** to **Deliver**, or due to an event beyond the control of **Seller** it is impossible or illegal for **Seller** to accept **Delivery** of, any of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** on the **Physical Settlement Date** (including, without limitation, failure of the relevant clearance system or due to any law, regulation or court order, but excluding market conditions or the failure to obtain any requisite consent with respect to the **Delivery** of **Loans**), then on or before such date (a) **Buyer** shall **Deliver** and **Seller** shall take **Delivery** of any of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** for which it is possible and legal to take **Delivery** and **Seller** shall make a payment of that portion of the **Physical Settlement Amount** that corresponds to the amount of **Deliverable Obligations** that are **Delivered** in accordance with market practice applicable to the **Deliverable Obligation** on the **Delivery Date** and (b) **Buyer** or **Seller**, as applicable, shall provide a description in reasonable detail of the facts giving rise to such impossibility or illegality and, as soon as practicable thereafter, **Buyer** shall **Deliver** and **Seller** shall take **Delivery** of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** which were not **Delivered** and **Seller** shall make a payment of that portion of the **Physical Settlement Amount** that corresponds to the amount of **Deliverable Obligations** that are **Delivered** in accordance with market practice applicable to the **Deliverable Obligation** on the **Delivery Date**. The date on which the **Deliverable Obligations**

specified in the [Notice of Physical Settlement](#) which were not [Delivered](#) are subsequently delivered shall be the [Termination Date](#). If, following the occurrence of any such impossibility or illegality, the amount of [Deliverable Obligations](#) that are to be [Delivered](#) as specified in the [Notice of Physical Settlement](#) are not [Delivered](#) to [Seller](#) on or prior to the [Latest Permissible Physical Settlement Date](#), [Cash Settlement](#) pursuant to the Partial Cash Settlement Terms shall be deemed to apply to the [Credit Derivative Transaction](#) with respect to the [Deliverable Obligations](#) that cannot be [Delivered](#) (the "Undeliverable Obligations").

Section 9.4. Partial Cash Settlement of Consent Required Loans. If:

(a) "Partial Cash Settlement of Consent Required Loans Applicable" is specified in the related [Confirmation](#);

(b) the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) include [Consent Required Loans](#) that, due to the non-receipt of any requisite consents, are not, on the [Physical Settlement Date](#), capable of being assigned or novated to [Seller](#) or its [designee](#) and such consents are not obtained or deemed given by the [Latest Permissible Physical Settlement Date](#); and

(c) (i) [Direct Loan Participation](#) is not specified as a [Deliverable Obligation Characteristic](#) in the related [Confirmation](#) or (ii) [Direct Loan Participation](#) is specified as a [Deliverable Obligation Characteristic](#) in the related [Confirmation](#) and the relevant participation is not effected on or before the [Latest Permissible Physical Settlement Date](#),

[Cash Settlement](#) pursuant to the Partial Cash Settlement Terms shall be deemed to apply to the [Credit Derivative Transaction](#) with respect to the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) that consist of [Consent Required Loans](#) for which consents are not obtained or deemed given (the "Undeliverable Loan Obligations").

Section 9.5. Partial Cash Settlement of Assignable Loans. If:

(a) "Partial Cash Settlement of Assignable Loans Applicable" is specified in the related [Confirmation](#);

(b) the [Deliverable Obligations](#) specified in the [Notice of Physical Settlement](#) include [Assignable Loans](#) that, due to the non-receipt of any requisite consents, are not, on the [Physical Settlement Date](#), capable of being assigned or novated to [Seller](#) or its [designee](#) and such consents are not obtained or deemed given by the [Latest Permissible Physical Settlement Date](#); and

(c) (i) [Direct Loan Participation](#) is not specified as a [Deliverable Obligation Characteristic](#) in the related [Confirmation](#) or (ii) [Direct Loan Participation](#) is specified as a [Deliverable Obligation Characteristic](#) in the related [Confirmation](#) and the relevant participation is not effected on or before the [Latest Permissible Physical Settlement Date](#),

[Cash Settlement](#) pursuant to the Partial Cash Settlement Terms shall be deemed to apply to the [Credit Derivative Transaction](#) with respect to the [Deliverable Obligations](#) specified in the [Notice of](#)

Physical Settlement that consist of **Assignable Loans** for which consents are not obtained or deemed given (the "Unassignable Obligations").

Section 9.6. Partial Cash Settlement of Participations. If:

(a) "Partial Cash Settlement of Participations Applicable" is specified in the related **Confirmation**; and

(b) the **Deliverable Obligations** include **Direct Loan Participations** and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to the **Credit Derivative Transaction** with respect to the **Deliverable Obligations** specified in the **Notice of Physical Settlement** that consist of **Direct Loan Participations** in respect of which the relevant participation is not effected (the "Undeliverable Participations").

Section 9.7. Latest Permissible Physical Settlement Date. "Latest Permissible Physical Settlement Date" means, in respect of **Section 9.3**, the date that is thirty calendar days after the **Physical Settlement Date** and, in respect of **Sections 9.4, 9.5** and 9.6, the date that is fifteen **Business Days** after the **Physical Settlement Date** (or, where **Section 2.33(b)(i)(C)** applies, the date deemed pursuant to that Section).

Section 9.8. Partial Cash Settlement Terms. Unless specified otherwise in the related **Confirmation**, the following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in **Sections 9.3, 9.4, 9.5** and 9.6:

(a) "**Cash Settlement Amount**" is deemed to be, for each **Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation** or **Unassignable Obligation**, the aggregate of the greater of (i)(A) the **outstanding principal balance, Due and Payable Amount** or **Currency Amount**, as applicable, of each **Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation** or **Unassignable Obligation** multiplied by (B) the **Reference Price** minus the **Final Price** with respect to such **Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation** or **Unassignable Obligation** and (ii) zero;

(b) "**Cash Settlement Date**" is deemed to be the date that is three **Business Days** after the calculation of the **Final Price**, which date shall also be the **Termination Date**;

(c) "**Reference Obligation**" is deemed to be each **Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation** or **Unassignable Obligation** and "**Reference Price**" is deemed to be one hundred per cent;

(d) "**Valuation Date**" is deemed to be the date that is two **Business Days** after the Latest Permissible Physical Settlement Date;

(e) "**Valuation Method**" is deemed to be **Highest** unless fewer than two **Full Quotations** are obtained or a **Weighted Average Quotation** applies (or, if applicable, **Indicative Quotations**), in which case, "**Valuation Method**" is deemed to be **Market**;

(f) "Quotation Method" is deemed to be Bid;

(g) "Quotation Amount" is deemed to be, with respect to each type or issue of Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, an amount equal to the outstanding principal balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation;

(h) There shall be no "Minimum Quotation Amount"; and

(i) "Valuation Time" is the time specified as such in the related Confirmation or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable).

(j) "Market Value" means, with respect to an Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are applicable and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to clause (k)(ii), an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations, a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) within the additional five Business Day period set forth in clause (k)(ii), the Market Value shall be determined as provided in clause (k)(ii).

(k) "Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are applicable, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are applicable, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Dealers.

(ii) If the Calculation Agent is a party to the Credit Derivative Transaction and is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, then the party that is not the Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations). If such party is able to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day within an additional five Business Days, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation (or, if applicable, Indicative Quotations) to determine the Final Price in accordance with the specified Valuation Method. If such party is unable to obtain two or more Full Quotations, a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) obtained from Dealers at the Valuation Time on such fifth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day. If the Calculation Agent is a third party and is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, Buyer and Seller each may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations). If either or both parties is (or are) able to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day within an additional five Business Days, the Calculation

Agent shall use all such **Full Quotations** or **Weighted Average Quotations** (or, if applicable, Indicative Quotations) to determine the **Final Price** in accordance with the specified **Valuation Method**. If the parties are unable to obtain between them two or more **Full Quotations** or a **Weighted Average Quotation** (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same **Business Day** within an additional five **Business Days**, the **Quotations** shall be deemed to be any **Full Quotation** obtained from a **Dealer** at the **Valuation Time** on such fifth **Business Day** or, if no **Full Quotation** is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the **Undeliverable Obligation**, **Undeliverable Loan Obligation**, **Undeliverable Participation** or **Unassignable Obligation** (as applicable) obtained from **Dealers** at the **Valuation Time** on such fifth **Business Day** with respect to the aggregate portion of the **Quotation Amount** for which such quotations were obtained and a quotation deemed to be zero for the balance of the **Quotation Amount** for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(iii) The **Calculation Agent** shall determine, after consultation with the parties, based on the then current market practice in the market of the relevant **Undeliverable Obligation**, **Undeliverable Loan Obligation**, **Undeliverable Participation** or **Unassignable Obligation**, whether such **Quotations** shall include or exclude accrued but unpaid interest. All **Quotations** shall be obtained in accordance with this specification or determination.

(iv) If any **Quotation** obtained with respect to an **Accreting Obligation** is expressed as a percentage of the amount payable in respect of such obligation at maturity, such **Quotation** will instead be expressed as a percentage of the **outstanding principal balance** (as defined in **Section 8.7(a)(i)**) for purposes of determining the **Final Price**.

(l) "Indicative Quotation" shall mean, in accordance with the **Quotation Method**, each quotation obtained from a **Dealer** at the **Valuation Time** for (to the extent reasonably practicable) an amount of the **Undeliverable Obligation** equal to the **Quotation Amount**, which reflects such **Dealer's** reasonable assessment of the price of such **Undeliverable Obligation** based on such factors as such **Dealer** may consider relevant, which may include historical prices and recovery rates.

(m) Indicative Quotations shall be applicable under this Section 9.8 only in the event that the Partial Cash Settlement Terms become applicable to a **Credit Derivative Transaction** due to the occurrence of an event giving rise to an impossibility or illegality under **Section 9.3**.

Section 9.9. Buy-in of Bonds Not Delivered. At any time after the date that is five **Business Days** after the **Physical Settlement Date**, if **Buyer** has not **Delivered** any **Deliverable Obligations** specified in the **Notice of Physical Settlement** that are **Bonds**, **Seller** may exercise a right to close out all or a portion of the **Credit Derivative Transaction** by the purchase of such **Bonds** under the terms of this Section 9.9 (a "buy-in"), unless such failure to **Deliver** is due to an event described in **Section 9.3** (in which case **Section 9.3** shall apply). **Seller** will provide **Buyer** two or more **Business Days'** notice (which may be by telephone and may be provided prior to the

expiration of the five **Business Day** period after the **Physical Settlement Date**) of its intention to **buy-in** (a "Buy-in Notice"), specifying the date of the anticipated **buy-in** (the "Buy-in Date"), the **Bonds** to be subject to the **buy-in** (to the extent not **Delivered** prior to the Buy-in Date, the "Relevant Bonds") and the **outstanding principal balance** thereof sought to be bought-in.

On the Buy-in Date, **Seller** shall attempt to obtain from five or more **Dealers** firm quotations for the sale ("Buy-in Offers") of the specified **outstanding principal balance** of the Relevant Bonds. The lowest Buy-in Offer or, if **Seller** obtains only one Buy-in Offer, such Buy-in Offer, for the **outstanding principal balance** of the Relevant Bonds shall be the "Buy-in Price". If **Seller** is unable to obtain at least one Buy-in Offer from such **Dealers** on the relevant Buy-in Date for the specified **outstanding principal balance** of the Relevant Bonds, **Seller** will attempt to obtain Buy-in Offers for all or a portion of the specified **outstanding principal balance** of the Relevant Bonds from five or more **Dealers** on each **Business Day** following the Buy-in Date until the earlier of (i) the fourth **Business Day** (inclusive) following such Buy-in Date and (ii) the date a Buy-in Price or Prices are determined for all of the specified **outstanding principal balance** of the Relevant Bonds (such period commencing on the Buy-in Date, the "Buy-in Period"). **Seller** will conduct the **buy-in** in a commercially reasonable manner and in accordance with the procedures set forth herein.

Buyer's right to **Deliver** the specified **outstanding principal balance** of the Relevant Bonds shall be suspended only during the Buy-in Period and shall recommence on the first **Business Day** following the end of the Buy-in Period to the extent **Seller** has not determined a Buy-in Price or Prices for the specified **outstanding principal balance** of the Relevant Bonds. **Seller** shall commit to purchase such principal balance of the Relevant Bonds at the applicable Buy-in Price or Prices. Thereafter, to the extent a Buy-in Price has not been determined during a Buy-in Period with respect to all of the specified **outstanding principal balance** of the Relevant Bonds, on or at any time after the sixth **Business Day** after such Buy-in Period, **Seller** may give another Buy-in Notice for the purpose of commencing another Buy-in Period for the Relevant Bonds in accordance with the procedures set forth herein. This process may be repeated until the final settlement of the **Credit Derivative Transaction**.

On the date a Buy-in Price is determined (or as soon as practicable thereafter), **Seller** will provide notice (which may be by telephone) of the **outstanding principal balance** of the Relevant Bonds for which Buy-in Prices were determined and the Buy-in Price or Prices therefor. On the third **Business Day** following such notice, **Buyer** will be deemed to have **Delivered** an **outstanding principal balance** of the **Deliverable Obligations** specified in the **Notice of Physical Settlement** for which a Buy-in Price was determined and **Seller** will pay to **Buyer** that portion of the **Physical Settlement Amount** that corresponds to such portion of the **Deliverable Obligations**, reduced (but not below zero) by the Buy-in Price multiplied by the corresponding **outstanding principal balance** of the Relevant Bonds for which a Buy-in Price was determined, plus any reasonable brokerage costs incurred by **Seller** in connection with any purchases by it of the Relevant Bonds as part of the **buy-in**.

Notices relating to **buy-ins** shall be subject to the requirements regarding notices set forth in **Section 1.10**. Unless otherwise agreed by **Buyer** and **Seller**, this Section 9.9 shall replace any otherwise applicable **buy-in** rules.

Section 9.10. Alternative Procedures Relating to Loans Not Delivered. If Buyer has not Delivered any Deliverable Obligations specified in the Notice of Physical Settlement that are Loans on or prior to the date that is five Business Days after the Physical Settlement Date (the "Alternative Procedure Start Date"), the following provisions shall apply unless (i) Reference Obligations Only has been specified as the Deliverable Obligation Category in the related Confirmation, (ii) in the case of a Consent Required Loan, "Partial Cash Settlement of Consent Required Loans Applicable" is specified in the related Confirmation (in which case Section 9.4 shall apply), (iii) in the case of an Assignable Loan, "Partial Cash Settlement of Assignable Loans Applicable" is specified in the related Confirmation (in which case Section 9.5 shall apply), (iv) in the case of a Direct Loan Participation, "Partial Cash Settlement of Participations Applicable" is specified in the related Confirmation (in which case Section 9.6 shall apply) or (v) in any case, such failure to Deliver is due to an event described in Section 9.3 (in which case Section 9.3 shall apply):

(a) In the event that the Buyer has failed to obtain the requisite consents to Deliver a Loan specified in the Notice of Physical Settlement and has provided a certificate signed by a Managing Director (or other substantively equivalent title) of the Buyer, which shall certify that Buyer has used reasonable efforts to obtain such consents, at any time following the Alternative Procedure Start Date, Buyer may Deliver, in lieu of all or part of such Loan, any, subject to Section 2.32 or 2.33, Bond that is Transferable and Not Bearer or Loan that is Assignable, in either case selected by Buyer and having on both the Physical Settlement Date and the Delivery Date each of the Deliverable Obligation Characteristics (other than Consent Required Loan or Direct Loan Participation), if any, specified in the related Confirmation and otherwise satisfying the requirements to constitute a Deliverable Obligation (and such instrument shall be deemed specified in the Notice of Physical Settlement).

(b) At any time after the fifteenth Business Day following the Alternative Procedure Start Date, to the extent that there still remains to be Delivered any Deliverable Obligations specified in the Notice of Physical Settlement that are Loans and Buyer has not Delivered any Bond or Loan in lieu thereof under Section 9.10(a), Seller may require Buyer to Deliver, in lieu of all or part of a Loan specified in the Notice of Physical Settlement, any, subject to Section 2.32 or 2.33, Bond that is Transferable and Not Bearer or Loan that is Assignable, in either case selected by Seller and having on both the Physical Settlement Date and the Delivery Date each of the Deliverable Obligation Characteristics (other than Consent Required Loan or Direct Loan Participation), if any, specified in the related Confirmation and otherwise satisfying the requirements to constitute a Deliverable Obligation (and such instrument shall be deemed specified in the Notice of Physical Settlement), so long as (i) Seller identifies a holder (other than Seller or an Affiliate of Seller) of the selected instrument that is ready, willing and able to Deliver such instrument to Buyer at a price (expressed as a percentage) less than the Reference Price and (ii) such instrument may be further Delivered by Buyer to Seller without the consent of any person being required.

ARTICLE X

NOVATION PROVISIONS

Section 10.1. Novation. Parties may document a Novation Transaction by specifying in a Novation Confirmation that the Novation Transaction is subject to and governed by the Novation Provisions set forth in this Article X and the provisions set forth in the [Novation Agreement](#). "Novation Confirmation" means, with respect to a Novation Transaction, one or more documents and other confirming evidence exchanged between the Transferor, Transferee and Remaining Party or otherwise effective which, taken together, confirm or evidence all of the terms of a Novation Transaction. A form of Novation Confirmation is set forth in [Exhibit F](#).

Section 10.2. Novation Transaction. "Novation Transaction" means a transaction in which a Transferor transfers by novation to a Transferee, in which a Transferee accepts the transfer by novation of, and in which the Remaining Party consents to such transfer by novation and acceptance thereof, all of the rights, liabilities, duties and obligations of a Transferor with respect to a Remaining Party under and in respect of the [Novated Amount](#) of a [Credit Derivative Transaction](#).

Section 10.3. Transferor. "Transferor" means the party which transfers by novation to a Transferee all of its rights, liabilities, duties and obligations with respect to a Remaining Party under and in respect of the [Novated Amount](#) of a [Credit Derivative Transaction](#).

Section 10.4. Transferee. "Transferee" means the party which accepts by way of novation all of the rights, liabilities, duties and obligations of a Transferor with respect to a Remaining Party under and in respect of the [Novated Amount](#) of a [Credit Derivative Transaction](#).

Section 10.5. Remaining Party. "Remaining Party" means the party which consents to the Transferor's transfer by novation and the acceptance thereof by the Transferee of all of the Transferor's rights, liabilities, duties and obligations with respect to such party under and in respect of the [Novated Amount](#) of a [Credit Derivative Transaction](#).

Section 10.6. Old Transaction. "Old Transaction" means the [Credit Derivative Transaction](#) between the Transferor and the Remaining Party that is the subject of the novation from the Transferor to the Transferee.

Section 10.7. New Transaction. "New Transaction" means the new transaction between the Transferee and the Remaining Party having economic terms (excluding collateral and other credit support arrangements and subject to Section 10.9 below) identical to those of the Old Transaction as more fully described in this Article X and in a [Novation Agreement](#).

Section 10.8. Old Agreement. "Old Agreement" means the [ISDA Master Agreement](#), if any, between the Transferor and the Remaining Party to which the Old Transaction was subject.

Section 10.9. New Agreement. "New Agreement" means the [ISDA Master Agreement](#) between the Transferee and the Remaining Party that governs the relationship between the parties with respect to the New Transaction. If the Transferee and the Remaining Party have not yet executed an [ISDA Master Agreement](#), the following shall be deemed to be included in the Novation

Confirmation: "This Novation Confirmation evidences a complete and binding agreement between [Transferee](#) and the [Remaining Party](#) as to the terms of the [New Transaction](#) to which this Novation Confirmation relates. In addition, the [Transferee](#) and the [Remaining Party](#) agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of an ISDA Master Agreement, with such modifications as the [Transferee](#) and the [Remaining Party](#) will in good faith agree. Upon the execution by the [Transferee](#) and the [Remaining Party](#) of such an agreement, this Novation Confirmation will supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Novation Confirmation except as expressly modified herein. Until the [Transferee](#) and the [Remaining Party](#) execute and deliver that agreement, this Novation Confirmation, together with all other documents referring to an ISDA Master Agreement (each a "[Confirmation](#)") confirming transactions (each a "[Transaction](#)") entered into between the [Transferee](#) and the [Remaining Party](#) (notwithstanding anything to the contrary in a [Confirmation](#)), shall supplement, form a part of, and be subject to, an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) if any [Confirmation](#) dated prior to the date of the [Novation Confirmation](#) refers to that ISDA Master Agreement and otherwise the [2002 ISDA Master Agreement](#) as if the [Transferee](#) and the [Remaining Party](#) had executed an agreement in such form (but without any Schedule except for the election of the governing law specified in this Novation Confirmation as the governing law and a Termination Currency of euro, if the Novation Confirmation is expressed to be governed by English law, or United States Dollars, if the Novation Confirmation is expressed to be governed by the laws of the State of New York) on the [Trade Date](#) of the first such Transaction between the [Transferee](#) and the [Remaining Party](#). In the event of any inconsistency between the provisions of that agreement and this [Novation Confirmation](#), this Novation Confirmation will prevail for the purpose of this [Novation Transaction](#)."

Section 10.10. ISDA Master Agreement. "ISDA Master Agreement" means either the [1992 ISDA Master Agreement \(Multicurrency – Cross Border\)](#) or the [2002 ISDA Master Agreement](#), as applicable.

Section 10.11. Old Confirmation. "Old Confirmation" means the confirmation between the [Transferor](#) and the [Remaining Party](#) setting forth the terms and conditions of the [Old Transaction](#).

Section 10.12. Novated Amount. "Novated Amount" means the portion of the [Fixed Rate Payer Calculation Amount](#) and [Floating Rate Payer Calculation Amount](#) of the [Old Transaction](#) that is the subject of the [Novation Transaction](#). If the Novated Amount is less than 100% of the [Fixed Rate Payer Calculation Amount](#) and [Floating Rate Payer Calculation Amount](#) of the [Old Transaction](#), the [Old Transaction](#) shall remain in full force and effect but all future payments, deliveries and calculations thereunder shall be based on a [Fixed Rate Payer Calculation Amount](#) and [Floating Rate Payer Calculation Amount](#) that has been reduced by the relevant Novated Amount.

Section 10.13. Novation Agreement. By exchanging a Novation Confirmation, the [Transferor](#), the [Transferee](#) and the [Remaining Party](#) will be deemed to have entered into a Novation Agreement (the "Novation Agreement") as set forth in [Exhibit E](#), as supplemented by the details and information set forth in the Novation Confirmation and this Article X.

EXHIBIT A to 2003 ISDA Credit Derivatives Definitions

[Headed paper of Party A]

Date:

To: [Name and Address or Facsimile Number of Party B]

From: [Party A]

Re: [Credit Derivative Transaction](#)

Dear _____:

The purpose of this [letter] (this "[Confirmation](#)") is to confirm the terms and conditions of the [Credit Derivative Transaction](#) entered into between us on the [Trade Date](#) specified below (the "Transaction"). This [Confirmation](#) constitutes a "[Confirmation](#)" as referred to in the [ISDA Master Agreement](#) specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (the "Credit Derivatives Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this [Confirmation](#). In the event of any inconsistency between the Credit Derivatives Definitions and this [Confirmation](#), this [Confirmation](#) will govern.

[This [Confirmation](#) supplements, forms a part of, and is subject to, the [ISDA Master Agreement](#) dated as of [date], as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this [Confirmation](#) except as expressly modified below.]¹

The terms of the Transaction to which this [Confirmation](#) relates are as follows:

THE FOOTNOTES TO THIS CONFIRMATION ARE PROVIDED FOR CLARIFICATION ONLY AND DO NOT CONSTITUTE ADVICE AS TO THE STRUCTURING OR DOCUMENTATION OF A CREDIT DERIVATIVE TRANSACTION.

ISDA has not undertaken to review all applicable laws and regulations of any jurisdiction in which the Credit Derivatives Definitions may be used. Therefore, parties are advised to consider the application of any relevant jurisdiction's regulatory, tax, accounting, exchange or other requirements that may exist in connection with the entering into and documenting of a privately negotiated credit derivative transaction.

¹ Include if applicable. If the parties have not yet executed, but intend to execute, an [ISDA Master Agreement](#) include, instead of this paragraph, the following: "This [Confirmation](#) evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this [Confirmation](#) relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of an [ISDA Master Agreement](#), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this [Confirmation](#) will supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this [Confirmation](#) except as expressly modified below. Until we execute and deliver that agreement, this [Confirmation](#), together with all other documents referring to an [ISDA Master Agreement](#) (each a "[Confirmation](#)") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a [Confirmation](#)), shall supplement, form a part of, and be subject to, an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) if any [Confirmation](#) dated prior to the date of this [Confirmation](#) refers to that [ISDA Master Agreement](#) and otherwise the 2002 [ISDA Master Agreement](#) as if we had executed an agreement in such form (but without any Schedule except for the election of [English Law][the laws of the State of New York] as the governing law and [specify currency] as the Termination Currency) on the [Trade Date](#) of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this [Confirmation](#), this [Confirmation](#) will prevail for the purpose of this Transaction."

1. General Terms:

Trade Date: []

Effective Date: []

Scheduled Termination Date: []

Floating Rate Payer: [Party A][Party B] (the "Seller").

Fixed Rate Payer: [Party A][Party B] (the "Buyer").

Calculation Agent:² []

Calculation Agent City:³ []

Business Day:⁴ []

Business Day Convention: [Following][Modified Following][Preceding] (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day⁵).

Reference Entity: []

[Reference Obligation(s):]⁶ []

[The obligation[s] identified as follows:

Primary Obligor: []

Guarantor: []

Maturity: []

Coupon: []

CUSIP/ISIN: []

2 If the Calculation Agent is a third party, the parties may wish to consider any documentation necessary to confirm its undertaking to act in that capacity. If a person is not specified, the Credit Derivatives Definitions provide that the Calculation Agent will be the Seller.

3 If a city is not specified, the Credit Derivatives Definitions provide that the Calculation Agent City will be the city in which the office through which the Calculation Agent is acting for purposes of the Credit Derivative Transaction is located.

4 The Credit Derivatives Definitions provide a fallback to days on which commercial banks and foreign exchange markets are generally open to settle payments in the jurisdiction of the currency of the Floating Rate Payer Calculation Amount.

5 The Credit Derivatives Definitions provide a fallback to the Following Business Day Convention.

6 Specify if required. A Reference Obligation must be specified for Credit Derivative Transactions to which Cash Settlement applies. If a Reference Obligation is specified for Credit Derivative Transactions to which Physical Settlement applies then, subject to the second paragraph of Section 2.20(b)(i) and Sections 2.32(a) and 2.33(a), such Reference Obligation is a Deliverable Obligation even though at the time of delivery it does not fall into the Obligation Category or lacks any or all Deliverable Obligation Characteristics.

All Guarantees: [Applicable][Not Applicable]

Reference Price: [%]⁷

2. Fixed Payments:

[Fixed Rate Payer Calculation Amount]:⁸ []

[Fixed Rate Payer Period End Date]:⁹ []

Fixed Rate Payer Payment Date[s]: [], [], [] and []

[Fixed Rate: []]¹⁰

[Fixed Rate Day Count Fraction]:¹¹ []

[Fixed Amount: []]

3. Floating Payment:

Floating Rate Payer Calculation Amount:¹² []

Conditions to Settlement: Credit Event Notice

Notifying Party: Buyer [or Seller]

[Notice of Physical Settlement]¹³

[Notice of Publicly Available Information Applicable]¹⁴

[Public Source(s):[]]¹⁵

7 If a percentage is not so specified, the Credit Derivatives Definitions provide that the **Reference Price** will be one hundred per cent.

8 If an amount is not specified, the Credit Derivatives Definitions provide that the **Fixed Rate Payer Calculation Amount** will be the **Floating Rate Payer Calculation Amount**.

9 If a date is not specified, the Credit Derivatives Definitions provide that the **Fixed Rate Payer Period End Date** will be each date specified in the related **Confirmation** as a **Fixed Rate Payer Payment Date**.

10 The Credit Derivatives Definitions provide that the **Fixed Rate** means a rate, expressed as a decimal, equal to the per annum rate specified here.

11 If a **Fixed Rate Day Count Fraction** is not specified, the Credit Derivatives Definitions provide a fallback to **Actual/360** as the **Fixed Rate Day Count Fraction**.

12 Specify an amount or, for amortizing Transactions, refer to amounts listed in an amortization schedule.

13 **Notice of Physical Settlement** is a required **Condition to Settlement** in respect of **Credit Derivative Transactions** to which **Physical Settlement** is applicable. It is not applicable in relation to **Credit Derivative Transactions** to which **Cash Settlement** is applicable.

14 If **Notice of Publicly Available Information** is intended to be a **Condition to Settlement**, the parties should include a reference to it here.

15 If **Notice of Publicly Available Information** has been selected by the parties and a **Public Source** is not specified, the Credit Derivatives Definitions provide that the **Public Sources** will be Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the

[Specified Number:[]]¹⁶

Credit Events: The following Credit Event[s] shall apply to this Transaction:

[Bankruptcy]

[[Failure to Pay]

[Grace Period Extension Applicable]¹⁷

[Grace Period:]¹⁸

Payment Requirement: []¹⁹

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

[[Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable]²⁰

[[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable]²¹

jurisdiction in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

¹⁶ If Notice of Publicly Available Information has been selected by the parties and a number of Public Sources is not specified, the Credit Derivatives Definitions provide that the Specified Number will be two.

¹⁷ Specify whether the parties intend Grace Period Extension to apply. If Grace Period Extension is not specified here as being applicable, Grace Period Extension will not apply to the Credit Derivative Transaction.

¹⁸ If Grace Period Extension is applicable, the parties may also wish to specify the number of days in the Grace Period. Parties should specify whether the Grace Period is to be measured in calendar days. If a number of days is not so specified, Grace Period will be the lesser of the applicable grace period with respect to the relevant Obligation and thirty calendar days. If at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of that Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to that Obligation. Unless Grace Period Extension is specified as applicable to a Credit Derivative Transaction, this deemed Grace Period will expire no later than the Scheduled Termination Date.

¹⁹ Payment Requirement is relevant to the Failure to Pay Credit Event. If a Payment Requirement is not specified, the Credit Derivatives Definitions provide that the Payment Requirement will be USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

²⁰ Specify whether the parties intend Restructuring Maturity Limitation and Fully Transferable Obligation, as set forth in Section 2.32 of the Credit Derivatives Definitions, to apply. If Restructuring Maturity Limitation and Fully Transferable Obligation are specified as applicable, the Restructuring Maturity Limitation Date is the date that is the earlier of 30 months following the Restructuring Date and the latest final maturity date of any Restructured Bond or Loan (but in no event a date earlier than the Scheduled Termination Date or a date later than 30 months following the Scheduled Termination Date) and only Fully Transferable Obligations may constitute Deliverable Obligations. The parties cannot specify that Restructuring Maturity Limitation and Fully Transferable Obligation and Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation both apply. If Restructuring Maturity Limitation is not specified as being applicable, Restructuring Maturity Limitation will not apply to the Credit Derivative Transaction.

²¹ Specify whether the parties intend Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, as set forth in Section 2.33 of the Credit Derivatives Definitions, to apply. If Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation are specified as applicable, the Modified Restructuring Maturity Limitation Date is the later of (x) 60 months for a Restructured Bond or Loan (and 30 months for other Deliverable Obligations) following the Restructuring Date and (y) the Scheduled Termination Date, and only Conditionally Transferable Obligations may constitute Deliverable Obligations. The parties cannot specify that Restructuring Maturity

[[Multiple Holder Obligation:]]²² [Applicable]

[Default Requirement: []]²³

Obligation(s):

<i>Obligation Category (Select only one):</i>	<i>Obligation Characteristics (Select all that apply):</i>
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency: [] ²⁵
<input type="checkbox"/> Reference Obligations Only ²⁴	<input type="checkbox"/> Not Sovereign Lender
<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency [Domestic Currency means: []] ²⁶
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed
	<input type="checkbox"/> Not Domestic Issuance

[and:]

[Specify any other obligations of a Reference Entity.]

[Excluded Obligations:]]²⁷ []

4. Settlement Terms:

Settlement Method: [Cash Settlement] [Physical Settlement]

[[Terms Relating to Cash Settlement:]]²⁸

Limitation and Fully Transferable Obligation and Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation both apply. If Modified Restructuring Maturity Limitation is not specified as being applicable, Modified Restructuring Maturity Limitation will not apply to the Credit Derivative Transaction.

22 Unless Not Applicable is specified, the Credit Derivatives Definitions provide that Restructurings are limited to Multiple Holder Obligations.

23 Default Requirement is relevant to the Obligation Acceleration, Obligation Default, Repudiation/Moratorium and Restructuring Credit Events. If a Default Requirement is not specified, the Credit Derivatives Definitions provide that the Default Requirement will be USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

24 If Reference Obligations Only is specified as the Obligation Category, no Obligation Characteristics should be specified.

25 Specify Currency. The Credit Derivatives Definitions provide that, if no currency is so specified, Specified Currency means the lawful currencies of any of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency). The Credit Derivatives Definitions provide that these currencies may be referred to collectively in a Confirmation as the "Standard Specified Currencies".

26 If no currency is specified, the Credit Derivatives Definitions provide that Domestic Currency will be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organized, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

27 Unless specified here as an Excluded Obligation, the Reference Obligation will be an Obligation.

28 Include if Cash Settlement applies.

[Valuation Date:]²⁹ [Single Valuation Date:
[] Business Days]³⁰

[Multiple Valuation Dates:
[] Business Days³¹; and
each [] Business Days thereafter³²
Number of Valuation Dates: []³³

[Valuation Time:]³⁴

[Quotation Method: [Bid][Offer][Mid-market]]³⁵

[Quotation Amount: [] [Representative Amount]]³⁶

[Minimum Quotation Amount:]³⁷

[Dealer(s):]³⁸

[Settlement Currency:]³⁹

[Cash Settlement Date: [] Business Days]⁴⁰

[Cash Settlement Amount:]⁴¹

[Quotations: [Include Accrued Interest][Exclude Accrued Interest]]⁴²

29 Include if the **Cash Settlement Amount** is not a fixed amount. The Credit Derivatives Definitions provide that if neither **Single Valuation Date** nor **Multiple Valuation Dates** is specified here, **Single Valuation Date** will apply.

30 If the number of **Business Days** is not specified, the Credit Derivatives Definitions provide that this will be five **Business Days**.

31 If the number of **Business Days** is not specified, the Credit Derivatives Definitions provide that this will be five **Business Days**.

32 If the number of **Business Days** is not specified, the Credit Derivatives Definitions provide that this will be five **Business Days**.

33 If the number of **Valuation Dates** is not specified, the Credit Derivatives Definitions provide that there will be five **Valuation Dates**.

34 If no time is specified, the Credit Derivatives Definitions provide that the **Valuation Time** will be 11:00 a.m. in the principal trading market for the **Reference Obligation**.

35 If no **Quotation Method** is specified, the Credit Derivatives Definitions provide that **Bid** shall apply.

36 Specify either an amount in a currency or **Representative Amount**. If no **Quotation Amount** is specified, the Credit Derivatives Definitions provide that the **Quotation Amount** will be the **Floating Rate Payer Calculation Amount**.

37 If no amount is specified, the Credit Derivatives Definitions provide that the **Minimum Quotation Amount** will be the lower of (i) USD 1,000,000 (or its equivalent in the relevant **Obligation Currency**) and (ii) the **Quotation Amount**.

38 Specify the **Dealers**. If no **Dealers** are specified here, the **Calculation Agent** will select the **Dealers** in consultation with the parties.

39 If no currency is specified, the Credit Derivatives Definitions provide that the **Settlement Currency** will be the currency of denomination of the **Floating Rate Payer Calculation Amount**.

40 If a number of **Business Days** is not specified, the Credit Derivatives Definitions specify three **Business Days**.

41 If no amount is so specified, the Credit Derivatives Definitions provide that the **Cash Settlement Amount** will be the greater of (a) (i) **Floating Rate Payer Calculation Amount** multiplied by (ii) the **Reference Price** minus the **Final Price** and (b) zero.

42 If neither **Include Accrued Interest** nor **Exclude Accrued Interest** is specified with respect to **Quotations**, the Credit Derivatives Definitions provide that the **Calculation Agent** will determine, after consultation with the parties, based on then current market practice in the market of the **Reference Obligation**, whether such **Quotations** shall include or exclude accrued but unpaid interest.

[Valuation Method:⁴³ [Market] [Highest]⁴⁴
[Average Market] [Highest] [Average Highest]⁴⁵
[Blended Market] [Blended Highest]⁴⁶
[Average Blended Market] [Average Blended Highest]]⁴⁷

[Terms Relating to Physical Settlement:]⁴⁸

[Physical Settlement Period: [] Business Days]⁴⁹

[Deliverable Obligations: [Include Accrued Interest] [Exclude Accrued Interest]]⁵⁰

43 Include if the Cash Settlement Amount is not a fixed amount.

44 One of these Valuation Methods may be specified for a Credit Derivative Transaction with only one Reference Obligation and only one Valuation Date. If no Valuation Method is specified in such circumstances, the Credit Derivatives Definitions provide that the Valuation Method shall be Highest.

45 One of these three Valuation Methods may be specified for a Credit Derivative Transaction with only one Reference Obligation and more than one Valuation Date. If no Valuation Method is specified in such circumstances, the Credit Derivatives Definitions provide that Average Highest shall apply.

46 One of these Valuation Methods may be specified for a Credit Derivative Transaction with more than one Reference Obligation and only one Valuation Date. If no Valuation Method is specified in such circumstances, the Credit Derivatives Definitions provide that Blended Highest shall apply.

47 One of these Valuation Methods may be specified for a Credit Derivative Transaction with more than one Reference Obligation and more than one Valuation Date. If no Valuation Method is specified in such circumstances, the Credit Derivatives Definitions provide that Average Blended Highest shall apply.

48 Include if Physical Settlement applies. Subject to contrary agreement between the parties, the Partial Cash Settlement Terms contained in the Credit Derivatives Definitions apply automatically in the context of events rendering it impossible or illegal for Buyer to Deliver or for Seller to accept Delivery of the Deliverable Obligations on or prior to the Latest Permissible Physical Settlement Date. This should be distinguished from the Partial Cash Settlement of Consent Required Loans, Partial Cash Settlement of Assignable Loans and Partial Cash Settlement of Participations provisions, which are elective. If applicable for any reason, the Partial Cash Settlement Terms will apply in the form prescribed in the Credit Derivatives Definitions unless contrary provision is made by the parties in the Confirmation.

49 If a number of Business Days is not specified, the Credit Derivatives Definitions provide that the Physical Settlement Period will be, with respect to a Deliverable Obligation, the maximum number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent after consultation with the parties.

50 Specify whether, in respect of Deliverable Obligations with an outstanding principal balance, the Deliverable Obligation is to include or exclude accrued but unpaid interest. If neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified here, the Credit Derivatives Definitions provide that the Deliverable Obligations shall exclude accrued but unpaid interest.

Deliverable Obligations:

<i>Deliverable Obligation Category (Select only one):</i>	<i>Deliverable Obligation Characteristics (Select all that apply):</i>
<input type="checkbox"/> Payment <input type="checkbox"/> Borrowed Money <input type="checkbox"/> Reference Obligations Only ⁵¹ <input type="checkbox"/> Bond <input type="checkbox"/> Loan <input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Not Subordinated <input type="checkbox"/> Specified Currency: [] ⁵² <input type="checkbox"/> Not Sovereign Lender <input type="checkbox"/> Not Domestic Currency [Domestic Currency means: []] ⁵³ <input type="checkbox"/> Not Domestic Law <input type="checkbox"/> Listed <input type="checkbox"/> Not Contingent <input type="checkbox"/> Not Domestic Issuance <input type="checkbox"/> Assignable Loan <input type="checkbox"/> Consent Required Loan <input type="checkbox"/> Direct Loan Participation Qualifying Participation Seller: [] ⁵⁴ <input type="checkbox"/> Transferable <input type="checkbox"/> Maximum Maturity [] ⁵⁵ <input type="checkbox"/> Accelerated or Matured <input type="checkbox"/> Not Bearer

[and:]

[Specify any other obligations of a Reference Entity.]

[Excluded Deliverable Obligations:]⁵⁶

[]

51 If **Reference Obligations Only** is specified as the **Deliverable Obligation Category**, no **Deliverable Obligation Characteristics** should be specified.

52 Specify **Currency**. The Credit Derivatives Definitions provide that, if no currency is so specified, **Specified Currency** means the lawful currencies of any of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency). The Credit Derivatives Definitions provide that these currencies may be referred to collectively in a **Confirmation** as the "**Standard Specified Currencies**".

53 If no currency is specified, the Credit Derivatives Definitions provide that **Domestic Currency** will be the lawful currency and any successor currency of (a) the relevant **Reference Entity**, if the **Reference Entity** is a **Sovereign**, or (b) the jurisdiction in which the relevant **Reference Entity** is organized, if the **Reference Entity** is not a **Sovereign**. In no event shall **Domestic Currency** include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

54 If **Direct Loan Participation** is specified as a **Deliverable Obligation Characteristic**, specify any requirements for the **Qualifying Participation Seller** here. If requirements are not so specified, the Credit Derivatives Definitions provide that there shall be no **Qualifying Participation Seller**, with the result that only a participation pursuant to a participation agreement between the **Buyer** and **Seller** will constitute a **Direct Loan Participation**.

55 Specify maximum period to maturity from the **Physical Settlement Date**.

56 Unless specified as an **Excluded Deliverable Obligation**, the **Reference Obligation** will, subject to the second paragraph of **Section 2.20(b)(i)** and **Sections 2.32(a)** and **2.33(a)**, be a **Deliverable Obligation** even though at the time of delivery it does not fall into the **Obligation Category** or lacks any or all **Deliverable Obligation Characteristics**.

[Partial Cash Settlement of Consent Required Loans Applicable]⁵⁷

[Partial Cash Settlement of Assignable Loans Applicable]⁵⁸

[Partial Cash Settlement of Participations Applicable]⁵⁹

Escrow: [Applicable][Not Applicable]

5. Notice and Account Details:

Telephone and/or
Facsimile Numbers and
Contact Details for Notices:

Buyer: []
Seller: []

Account Details

Account Details of
Buyer: []

Account Details of Seller: []

[6. Offices⁶⁰

Seller: []

Buyer: []]

57 Include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to [Consent Required Loans](#).
58 Include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to [Assignable Loans](#).
59 Include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to [Direct Loan Participations](#).
60 If necessary, specify the Offices through which the parties are acting for the purposes of the [Credit Derivative Transaction](#).

Closing

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this [Confirmation](#) and returning it to us [by facsimile].

Yours sincerely,

[PARTY A]

By: _____
Name:
Title:

Confirmed as of the date
first above written:

[PARTY B]

By: _____
Name:
Title:

EXHIBIT B to 2003 ISDA Credit Derivatives Definitions

[Date]

[Counterparty Address and
Contact Information]

[Non-party [Calculation Agent](#) Address
and Contact Information]

**CREDIT EVENT NOTICE
[AND
NOTICE OF PUBLICLY AVAILABLE INFORMATION]⁶¹**

[Credit Derivative Transaction](#) Details: [Trade Date], [Effective Date], [Reference Entity],
[Basket of [Credit Derivative Transactions](#)]

Reference is made to the [Credit Derivative Transaction](#) described above (the "Transaction") between [], as [Seller](#), and [], as [Buyer](#). Capitalized terms used and not otherwise defined in this letter shall have the meanings given them in the confirmation of the Transaction.

This letter is our [Credit Event Notice](#) to you that a [insert type] [Credit Event](#) occurred with respect to [insert name] on or about [insert date], when [describe [Credit Event](#)].

[This letter also comprises our [Notice of Publicly Available Information](#) with respect to this [Credit Event](#). Accordingly, we provide the [Publicly Available Information](#) attached hereto.]

Nothing in this letter shall be construed of a waiver of any rights we may have with respect to the Transaction.

Sincerely,

[insert name]

Name:

Title:

⁶¹ The bracketed words in the Notice's title and the third paragraph of the Notice need only be included when [Notice of Publicly Available Information](#) is specified as Applicable in the related [Confirmation](#).

EXHIBIT C to 2003 ISDA Credit Derivatives Definitions

[Date]

[Counterparty Address and
Contact Information]

[Non-party [Calculation Agent](#) Address
and Contact Information]

NOTICE OF PHYSICAL SETTLEMENT

[Credit Derivative Transaction](#) Details: [[Trade Date](#)], [[Effective Date](#)], [[Reference Entity](#)],
[Basket of [Credit Derivative Transactions](#)]

Reference is made to the [Credit Derivative Transaction](#) described above (the "Transaction") between [], as [Seller](#), and [], as [Buyer](#). Reference is also made to the [Credit Event Notice](#) [and [Notice of Publicly Available Information](#)]⁶² dated [insert date], previously delivered to you on [insert date].

This letter constitutes a [Notice of Physical Settlement](#). Any capitalized term not otherwise defined in this letter will have the meaning, if any, assigned to such term in the confirmation of the Transaction or, if no meaning is specified therein, in the 2003 ISDA Credit Derivatives Definitions.

We hereby confirm that we will settle the Transaction and require performance by you in accordance with the Physical Settlement Method. Subject to the terms of the Transaction, we will deliver to you on or before the [Physical Settlement Date](#), [[currency/amount]] [[outstanding principal balance](#)] [[Due and Payable Amount](#)]] of the following [Deliverable Obligations](#):

[describe the [Deliverable Obligations](#) to be [Delivered](#), including the [outstanding principal balance](#) or [Due and Payable Amount](#) for each such [Deliverable Obligation](#) and, if available, the CUSIP or ISIN number (if such identifying number is not available, the rate and tenor of the [Deliverable Obligation](#))].

Yours sincerely,

[insert name]

⁶² The bracketed language need only be included when [Notice of Publicly Available Information](#) is specified as Applicable in the related [Confirmation](#).

EXHIBIT D to 2003 ISDA Credit Derivatives Definitions

[Date]

[Counterparty Address and
Contact Information]

[Non-party [Calculation Agent](#) Address
and Contact Information]

**REPUDIATION/MORATORIUM EXTENSION NOTICE
[AND
NOTICE OF PUBLICLY AVAILABLE INFORMATION]⁶³**

[Credit Derivative Transaction](#) Details: [[Trade Date](#)], [[Effective Date](#)], [[Reference Entity](#)],
[Basket of [Credit Derivative Transactions](#)]

Reference is made to the [Credit Derivative Transaction](#) described above (the "Transaction") between [], as [Seller](#), and [], as [Buyer](#). Capitalized terms used and not otherwise defined in this letter shall have the meanings given them in the confirmation of the Transaction.

This letter is our [Repudiation/Moratorium Extension Notice](#) to you that a [Potential Repudiation/Moratorium](#) occurred with respect to [insert name] on [insert date], when [describe [Potential Repudiation/Moratorium](#)].

[This letter also comprises our [Notice of Publicly Available Information](#) with respect to this [Potential Repudiation/Moratorium](#). Accordingly, we provide the [Publicly Available Information](#) attached hereto.]

Nothing in this letter shall be construed of a waiver of any rights we may have with respect to the Transaction.

Sincerely,

[insert name]

Name:

Title:

⁶³ The bracketed words in the Notice's title and the third paragraph of the Notice need only be included when [Notice of Publicly Available Information](#) is specified as Applicable in the related [Confirmation](#).

EXHIBIT E to 2003 ISDA Credit Derivatives Definitions



International Swaps and Derivatives Association, Inc.

NOVATION AGREEMENT

Dated as of the Novation Date (as set forth in the Novation Confirmation) among the [Remaining Party](#), the [Transferor](#) and the [Transferee](#) (in each case as defined in the Novation Confirmation).

This [Novation Agreement](#) is subject to, and hereby incorporates by reference, the Novation Provisions (the "Novation Provisions") contained in [Article X](#) of the 2003 ISDA Credit Derivatives Definitions (the "Definitions"), and any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Definitions and the Novation Provisions. From time to time parties may enter into [Novation Transactions](#) by exchanging a Novation Confirmation. Each such Novation Confirmation shall be deemed to form part of this [Novation Agreement](#).

With effect from and including the Novation Date the [Transferor](#) wishes to transfer by novation to the [Transferee](#), and the [Transferee](#) wishes to accept the transfer by novation of, and the [Remaining Party](#) wishes to consent to such transfer by novation and acceptance thereof of, all the rights, liabilities, duties and obligations of the [Transferor](#) with respect to the [Remaining Party](#) under and in respect of the [Novated Amount](#) of the [Old Transaction](#), with the effect that the [Remaining Party](#) and the [Transferee](#) enter into a new transaction (a "[New Transaction](#)") between them having economic terms (excluding collateral and other credit support arrangements and subject to [Section 2\(c\)](#) below) identical to those of the [Old Transaction](#) to the extent of the [Novated Amount](#), as more particularly described below.

The [Remaining Party](#) wishes to accept the [Transferee](#) as its sole counterparty with respect to the [New Transaction](#).

The [Transferor](#) and the [Remaining Party](#) wish to have released and discharged, as a result and to the extent of the transfer described above, their respective obligations under and in respect of the [Old Transaction](#).

Accordingly, the parties agree as follows: ---

1. Definitions.

Terms defined in the [2002 ISDA Master Agreement \(Multicurrency-Cross Border\)](#) as published by the International Swaps and Derivatives Association, Inc. (the "[ISDA Master Agreement](#)") shall have the meaning as used in such [ISDA Master Agreement](#), unless otherwise provided herein.

2. Transfer, Release, Discharge and Undertakings.

With effect from and including the Novation Date and in consideration of the mutual representations, warranties and covenants contained in this [Novation Agreement](#) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties):

- (a) the [Remaining Party](#) and the [Transferor](#) are each released and discharged from further obligations to each other with respect to the [Novated Amount](#) of the [Old Transaction](#) and their respective rights against each other thereunder are cancelled, provided that such release and discharge shall not affect any rights, liabilities or obligations of the [Remaining Party](#) or the [Transferor](#) with respect to (i) any portion of the [Old Transaction](#) in excess of the [Novated Amount](#) and (ii) payments or other obligations due and payable or due

to be performed prior to the Novation Date, and all such payments and obligations shall be paid or performed by the **Remaining Party** or the **Transferor** in accordance with the terms of the **Old Transaction**;

(b) in respect of the **New Transaction**, the **Remaining Party** and the **Transferee** each undertake liabilities and obligations towards the other and acquire rights against each other identical in their terms to the economic terms (excluding collateral and other credit support arrangements and subject to Section 2(c) below) of the **Old Transaction**, to the extent of the **Novated Amount**, including any rights in respect of **Credit Events** occurring on or prior to the Novation Date (and, for the avoidance of doubt, as if the **Transferee** were the **Transferor** and with the **Remaining Party** remaining the **Remaining Party**, save for any rights, liabilities or obligations of the **Remaining Party** or the **Transferor** with respect to payments or other obligations due and payable or due to be performed prior to the Novation Date);

(c) the **New Transaction** shall be governed by and form part of the **New Agreement** and the relevant **Old Confirmation** which, in conjunction and as deemed modified to be consistent with this **Novation Agreement**, shall be deemed to be a **Confirmation** between the **Remaining Party** and the **Transferee**; and

(d) any fees payable by the **Transferor** or the **Transferee** in connection with the transfer by novation hereunder shall be subject to a separate agreement between such parties.

3. Representations and Warranties.

(a) On the Novation Date:

(i) Each of the parties makes to each of the other parties those representations and warranties set forth in **Section 3(a) of the ISDA Master Agreement** with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this **Novation Agreement** alone (including, for the avoidance of doubt, the relevant Novation Confirmation).

(ii) The **Remaining Party** and the **Transferor** each makes to the other, and the **Remaining Party** and the **Transferee** each makes to the other, the representation set forth in Section 3(b) of the **ISDA Master Agreement**, in each case with respect to the **Old Agreement** or the **New Agreement**, as the case may be, and taking into account the parties entering into and performing their obligations under this **Novation Agreement**.

(iii) Each of the **Transferor** and the **Remaining Party** represents and warrants to each other and to the **Transferee** that:

(A) it has made no prior transfer (whether by way of security or otherwise) of any interest or obligation in respect of the **Novated Amount** of the **Old Transaction**;

(B) as of the Novation Date, all obligations of the **Transferor** and the **Remaining Party** under the **Old Transaction** required to be performed prior to the Novation Date have been fulfilled;

(C) neither the **Transferor** nor the **Remaining Party** has **Delivered** any **Deliverable Obligations** or made any payments in connection with the **Settlement Method** applicable to the **Old Transaction**; and

(D) unless otherwise specified in the **Novation Confirmation**, no **Credit Event Notice**, **Notice of Publicly Available Information** or **Notice of Physical Settlement** has been delivered by or to the **Transferor** or the **Remaining Party**.

(iv) Each of the **Transferor**, the **Remaining Party** and the **Transferee** represent and warrant to each other that neither the other parties nor their respective **Affiliates** have made, as of the Novation Date, any representation whatsoever with respect to the **Reference Entity**, any **Reference**

Obligation, any Obligation, any Deliverable Obligation, any Underlying Obligor or any Underlying Obligation on which it is relying or is entitled to rely.

4. Counterparts.

This [Novation Agreement](#) (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

5. Amendments.

No amendment, modification or waiver in respect of this [Novation Agreement](#) will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

6. (a) Governing Law.

This [Novation Agreement](#) will be governed by and construed in accordance with the laws specified in the Novation Confirmation.

(b) Jurisdiction.

The terms of [Section 13\(b\) of the ISDA Master Agreement](#) shall apply to this [Novation Agreement](#) with references in such Section to "this Agreement" being deemed references to this [Novation Agreement](#) alone.

EXHIBIT F to 2003 ISDA Credit Derivatives Definitions

Novation Confirmation

[Headed paper of Party A]⁶⁴

Date:

To: [Name and Address or Facsimile Number of Party B and Party C]

From: [Party A]

Re: [Novation Transaction](#)

Dear _____:

The purpose of this [facsimile][letter] is to confirm the terms and conditions of the [Novation Transaction](#) entered into between the parties on the Novation Date specified below.

[A copy of the [Old Confirmation](#) relating to the [Old Transaction](#) is attached.]⁶⁵

The definitions and provisions contained in Article X of the 2003 ISDA Credit Derivatives Definitions (the “Novation Provisions”), as published by the International Swaps and Derivatives Association, Inc., are incorporated in this Novation Confirmation. In the event of any inconsistency between the Novation Provisions and this Novation Confirmation, this [Novation Confirmation](#) will govern. This Novation Confirmation is subject to the provisions set forth in the [Novation Agreement](#) attached as [Exhibit E](#) to the 2003 ISDA Credit Derivatives Definitions. In the event of any inconsistency between the [Novation Agreement](#) and this [Novation Confirmation](#), the provisions set forth in this Novation Confirmation will govern.

The terms of the [Old Transaction](#) to which this Novation Confirmation relates and the other novation terms are as follows:

Novation Date:
[Novated Amount](#):
[Transferor](#):
[Transferee](#):
[Remaining Party](#):
[Trade Date of Old Transaction](#):
[Fixed Rate Payer](#) and [Floating Rate Payer](#)
[Calculation Amounts of Old Transaction](#):

⁶⁴ As the [Novation Agreement](#) is a three-party arrangement, there may be some concern about which of the three parties is to draft the document. A convention followed by some in order to avoid disagreements is to allocate drafting responsibilities to the [Transferee](#).

⁶⁵ The provision of the [Old Confirmation](#) relating to the [Old Transaction](#) is optional. Industry participants are advised to exercise care in using [Old Confirmations](#) as the agreed record of the terms of the credit derivative transactions to be novated, where those [Confirmations](#) include terms beyond those usually considered necessary in relation to the particular credit derivative transactions to be documented.

The initial **Fixed Rate Payer Calculation Period** **Fixed Rate Payer Payment** with respect to the **Novated Amount** under the **Date** immediately preceding the Novated Transaction shall commence on and the Novation Date include the:

Reference Entity:

Scheduled Termination Date:

[**Transferee** Ref. No.:]

[**Transferor** Ref. No.:]

[**Remaining Party** Ref. No.:]

[Governing Law of ISDA Form Governing **New Transaction**:]

[Credit Event Notice **Delivered** Under **Old Transaction** and Deemed **Delivered** Under **New Transaction**:] [Applicable][Not Applicable]

[**Notice of Publicly Available Information** **Delivered** Under **Old Transaction** and Deemed **Delivered** Under **New Transaction**:] [Applicable][Not Applicable]

[**Notice of Physical Settlement Delivered** Under **Old Transaction**, a copy of which is attached:] [Applicable][Not Applicable]

[Notice Information:]

[Account Information:]

The governing law of the **Novation Agreement** shall be the laws of [England] [the State of New York (without reference to choice of law doctrine)].

Please confirm your acceptance to be bound by this Novation Confirmation as of the Novation Date by executing a copy of this Novation Confirmation and returning it to us [by facsimile].

.....
(Name of **Remaining Party**)

By:
Name:
Title:
Date:

.....
(Name of **Transferor**)

By:
Name:
Title:
Date:

.....
(Name of **Transferee**)

By:
Name:
Title:
Date:

Index of Terms

<u>Term</u>	<u>Page</u>
2	
2002 ISDA Master Agreement	4
3	
30/360	35
30E/360	36
A	
A/360	35
Accelerated or Matured	16
Accreted Amount	45
Accreting Obligation	46
Act/360	35
Actual/360	35
Actual/365	36
Actual/365 (Fixed)	36
Actual/Actual	36
Additional Termination Event	4
Affected Party	4
Affected Transaction	4
Affiliate	4
Alternative Procedure Start Date	58
Assignable Loan	15
Average Blended Highest	39
Average Blended Market	39
Average Highest	39
Average Market	39
B	
Bankruptcy	30
Best Available Information	8
Bid	42
Blended Highest	39
Blended Market	39
Bond	13
Bond Basis	35
Bond or Loan	13
Borrowed Money	12
Business Day	4
Business Day Convention	10
Buyer	4
Buyer or Seller	25

buy-in	56
Buy-in Date	57
Buy-in Notice	57
Buy-in Offers	57
Buy-in Period	57
Buy-in Price	57

C

Calculation Agent	3
Calculation Agent City	4
Calculation Agent City Business Day	4
Cash Settlement	38
Cash Settlement Amount	38
Cash Settlement Date	38
Close-out Amount	4
Conditionally Transferable Obligation	23
Conditions to Settlement	25
Confirmation	1
Consent Required Loan	15
Convertible Obligation	46
Credit Derivative Transaction	1
Credit Event	30
Credit Event Notice	26
Currency Amount	47
Currency Rate	47

D

Dealer	43
Default Requirement	33
Deliver	44
Deliverable Obligation	11
Deliverable Obligation Category	14
Deliverable Obligation Characteristics	15
Delivery Date	45
designator	50
designee	50
Direct Loan Participation	15
Domestic Currency	19
Downstream Affiliate	18
Due and Payable Amount	18, 47

E

Effective Date	1
Eligible Transferee	21, 24
Equity Securities	46
Escrow	47
Escrow Agent	47
Eurobond Basis	36
Event Determination Date	2

Exchangeable Obligation	46
Exclude Accrued Interest	41
Excluded Deliverable Obligation	12
Excluded Obligation	12
Exercise Amount	28
F	
Failure to Pay	31
Final Price	38
Fixed Amount	9
Fixed Rate	35
Fixed Rate Day Count Fraction	35
Fixed Rate Payer	9
Fixed Rate Payer Calculation Amount	9
Fixed Rate Payer Calculation Period	10
Fixed Rate Payer Payment Date	10
Fixed Rate Payer Period End Date	10
Floating Rate Payer	11
Floating Rate Payer Calculation Amount	11
Following	10
Full Quotation	42
Fully Transferable Obligation	21
G	
Governmental Authority	33
Grace Period	3
Grace Period Business Day	3
Grace Period Extension Date	2
H	
Highest	38, 39
I	
Include Accrued Interest	4
Indicative Quotation	56
ISDA Master Agreement	60
L	
Latest Permissible Physical Settlement Date	53
Listed	14
Loan	13
M	
Market	38
Market Value	40, 54
Maximum Maturity	16
Mid-market	42
Minimum Quotation Amount	42
Modified	10
Modified Eligible Transferee	24

Modified Following	10
Modified Restructuring Maturity Limitation Date	23
Multiple Holder Obligation.....	34
Multiple Valuation Dates	41

N

New Agreement	59
New Credit Derivative Transactions.....	8
New Transaction	59
Not Bearer	16
Not Contingent.....	15
Not Domestic Currency	14
Not Domestic Issuance	14
Not Domestic Law	14
Not Sovereign Lender.....	14
Not Subordinated	13
Notice Delivery Period	2
Notice of Physical Settlement.....	26
Notice of Publicly Available Information.....	28
Notifying Party.....	25
Novated Amount.....	60
Novation Agreement.....	60
Novation Confirmation.....	59
Novation Transaction.....	59

O

Obligation	11
Obligation Acceleration	30
Obligation Category.....	12
Obligation Characteristics.....	13
Obligation Currency.....	33
Obligation Default	31
Offer.....	42
Old Agreement.....	59
Old Confirmation.....	60
Old Transaction.....	59
outstanding principal balance	18

P

Paris Club debt.....	14
Partial Cash Settlement of Assignable Loans Applicable.....	52
Partial Cash Settlement of Consent Required Loans Applicable.....	52
Partial Cash Settlement of Participations Applicable	53
Payment.....	12
Payment Requirement.....	34
Permitted Currency	32
Physical Settlement.....	44
Physical Settlement Amount.....	45
Physical Settlement Date	45

Physical Settlement Period	45
Potential Failure to Pay	3
Potential Repudiation/Moratorium	31
Preceding	10
Public Source	28
Publicly Available Information	27

Q

Qualifying Affiliate Guarantee	18
Qualifying Guarantee	18
Qualifying Participation Seller	18
Quotation	40
Quotation Amount	42
Quotation Method	54

R

Reference Entity	6
Reference Obligation	9
Reference Obligations Only	12
Reference Price	9
Relevant Bonds	57
Relevant Obligations	8
Remaining Party	59
Representative Amount	43
Repudiation/Moratorium	31
Repudiation/Moratorium Evaluation Date	31
Repudiation/Moratorium Extension Condition	31
Repudiation/Moratorium Extension Notice	32
Restructured Bond or Loan	21, 24
Restructuring	32
Restructuring Date	21, 23
Restructuring Maturity Limitation Date	21

S

Scheduled Termination Date	1
Seller	5
Senior Obligation	13
Settlement Currency	37
Settlement Date	37
Settlement Method	37
Single Valuation Date	41
Sovereign	19
Sovereign Agency	19
Sovereign Restructured Deliverable Obligation	12
Specified Currency	14
Specified Number	28
Stamp Tax	4
Standard Specified Currencies	14
Subordinated Obligation	13

Subordination.....	13
Substitute Reference Obligation.....	19
succeed.....	7
Succession Event.....	7
Successor.....	6
Supranational Organization.....	19

T

TARGET Settlement Day.....	5
Tax.....	4
Term.....	1
Termination Date.....	2
Trade Date.....	1
Transferable.....	16
Transferee.....	59
Transferor.....	59

U

Unassignable Obligations.....	53
Undeliverable Loan Obligations.....	52
Undeliverable Obligations.....	52
Undeliverable Participations.....	53
Underlying Obligation.....	18
Underlying Obligor.....	18

V

Valuation Date.....	41
Valuation Method.....	53
Valuation Time.....	54
Voting Shares.....	18

W

Weighted Average Quotation.....	42
---------------------------------	----