

CDX EMERGING MARKETS  
MASTER CREDIT DERIVATIVES  
CONFIRMATION AGREEMENT

This CDX Emerging Markets Master Credit Derivatives Confirmation Agreement (the "Master Confirmation Agreement") is dated as of [\_\_\_\_] between [\_\_\_\_\_] ("Party A") and [\_\_\_\_\_] ("Party B").

Party A and Party B wish to facilitate the process of entering into and confirming certain Credit Derivative Transactions relating to CDX emerging markets indices (each, a "Master Transaction") and accordingly agree as follows:

**1. CREDIT DERIVATIVE DEFINITIONS**

This Master Confirmation Agreement hereby incorporates by reference the definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. (together, the "Credit Derivatives Definitions"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Credit Derivatives Definitions.

**2. CONFIRMATION PROCESS**

Party A and Party B intend to enter into one or more separate Master Transactions relating to a CDX emerging markets index, as specified in the relevant Transaction Supplement substantially in the form attached as Exhibit B (a "Transaction Supplement"). Party A and Party B agree that, each time they enter into a Master Transaction, they enter into a separate and independent Credit Derivative Transaction (a "Component Transaction") in respect of each Reference Entity listed in the Relevant Annex (as defined in the General Terms Confirmation defined below). Each Component Transaction shall have the terms specified in the General Terms Confirmation attached as Exhibit A (the "General Terms Confirmation"). The confirmation applicable to each Master Transaction, which shall constitute a "Confirmation" for the purposes of, and will supplement, form a part of, and be subject to, the [1992 ISDA Master Agreement (Multicurrency - Cross Border)] [2002 ISDA Master Agreement] and Schedule thereto between Party A and Party B dated as of [\_\_\_\_], as amended and supplemented from time to time (the "Master Agreement"), shall consist of this Master Confirmation Agreement, including the General Terms Confirmation, as supplemented by the trade details applicable to such Master Transaction as set forth in the relevant Transaction Supplement.

In the event of any inconsistency between the Credit Derivatives Definitions and this Master Confirmation Agreement (including the General Terms Confirmation and the relevant Transaction Supplement), this Master Confirmation Agreement shall govern for the purpose of the relevant Master Transaction.

In the event of any inconsistency between this Master Confirmation Agreement (including the General Terms Confirmation) and a Transaction Supplement, the Transaction Supplement shall govern for the purpose of the relevant Master Transaction.

The Transaction Supplement shall set forth, at a minimum, all of the relevant information set out in the form of Transaction Supplement attached hereto as Exhibit B.

### **3. RELATIONSHIP OF TRANSACTIONS**

Subject to Paragraph 7.5 of the General Terms Confirmation, each Component Transaction (a) constitutes a separate and independent Credit Derivative Transaction between Party A and Party B with respect to one of the Reference Entities listed in the Relevant Annex, (b) shall not be affected by any other Credit Derivative Transaction between Party A and Party B and (c) shall operate independently of each other Component Transaction in all respects.

### **4. NON-EXCLUSIVE**

The parties acknowledge and agree that the execution of this Master Confirmation Agreement does not require them to document Credit Derivative Transactions in accordance with this Master Confirmation Agreement.

### **5. PREPARATION OF TRANSACTION SUPPLEMENTS**

Unless the parties otherwise agree, the preparation of a Transaction Supplement shall be the responsibility of [Party A] [Party B] [the Seller in respect of the Master Transaction to which the relevant Transaction Supplement relates].

### **6. MISCELLANEOUS**

#### **6.1 Entire Agreement**

This Master Confirmation Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect specifically thereto.

#### **6.2 Amendments**

An amendment, modification or waiver in respect of this Master Confirmation Agreement will only be effective if 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 by an exchange of electronic messages on an electronic messaging system.

#### **6.3 Counterparts**

This Master Confirmation Agreement, each Transaction Supplement documented hereunder and any amendment thereto may be executed in counterparts, each of which will be deemed an original.

#### **6.4 Headings**

The headings used in this Master Confirmation Agreement are for convenience of reference only and shall not affect the construction of or be taken into consideration in interpreting this Master Confirmation Agreement.

**6.5 Governing Law**

This Master Confirmation Agreement and each Master Transaction documented hereunder will be governed by and construed in accordance with the law specified in the Master Agreement.

IN WITNESS WHEREOF the parties have executed this document with effect from the date specified on the first page of this document.

[\_\_\_\_\_]

[\_\_\_\_\_]

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

## GENERAL TERMS CONFIRMATION

The purpose of this General Terms Confirmation (the "General Terms Confirmation") is to set forth the general terms and conditions of the Credit Derivative Transaction entered into between Party A and Party B (each as defined in the CDX Emerging Markets Master Credit Derivatives Confirmation Agreement between Party A and Party B dated as of [\_\_\_\_], as amended and supplemented from time to time (the "Master Confirmation Agreement")) (a "Component Transaction"). This General Terms Confirmation, together with the Master Confirmation Agreement and the relevant Transaction Supplement (as defined in the Master Confirmation Agreement), constitutes a "Confirmation" as referred to in the Master Agreement (as defined in the Master Confirmation Agreement). A General Terms Confirmation in the form of this General Terms Confirmation shall be deemed to be entered into in respect of each Component Transaction in respect of each of the Reference Entities listed in the Relevant Annex (as defined below), provided that if, in respect of a Reference Entity, an event that results in a Successor occurs or has occurred on or following the earlier of the Effective Date and the Trade Date, the provisions of Section 2.2 of the Credit Derivatives Definitions shall apply in respect of such Reference Entity.

This General Terms Confirmation hereby incorporates by reference the definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. (together, the "Credit Derivatives Definitions"). In the event of any inconsistency between the Credit Derivatives Definitions and this General Terms Confirmation, this General Terms Confirmation will govern.

All provisions contained in the Master Agreement govern the Component Transaction to which this General Terms Confirmation relates, except as expressly modified below.

The terms of the Component Transaction to which this General Terms Confirmation relates, as supplemented by the related Transaction Supplement, are as follows:

### 1. GENERAL TERMS

Index:	As shown in the Transaction Supplement
Index Sponsor:	CDS IndexCo LLC
Trade Date:	As shown in the Transaction Supplement
Effective Date:	As shown in the Transaction Supplement
Scheduled Termination Date:	As shown in the Transaction Supplement
Original Notional Amount:	As shown in the Transaction Supplement
Floating Rate Payer:	As shown in the Transaction Supplement (the " <u>Seller</u> ")

Fixed Rate Payer: As shown in the Transaction Supplement (the “Buyer”)

Reference Entity: Subject to Paragraph 7.4 below, the applicable sovereign contained in the Index and listed in the Relevant Annex, and any Successor.

Reference Obligation: The Reference Obligation (if any) specified in the Index and set out opposite the Reference Entity in the Relevant Annex, subject to Paragraph 7.4 below, Sections 2.2(d) and 2.30 of the Credit Derivatives Definitions and the following paragraph:

If the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity, the Calculation Agent shall select such Reference Obligation as the Reference Obligation hereunder for such Reference Entity in lieu of applying the provisions of Sections 2.2(d) or 2.30 of the Credit Derivatives Definitions.

Calculation Agent: [ ]

Calculation Agent City: New York

Business Days: If the Original Notional Amount is denominated in:

USD: New York and London

EUR: London and TARGET Settlement Day

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this General Terms Confirmation or in the related Transaction Supplement that falls on a day that is not a Business Day)

Relevant Annex: In the Transaction Supplement, the parties shall specify whether the source of the Relevant Annex is “Publisher” or “Master Confirmation” and shall identify the “Index” and the “Annex Date”; provided that, if the parties do not so specify the source of the Relevant Annex, they shall be deemed to have specified [Publisher] [Master Confirmation].

If “Publisher” is specified in the Transaction Supplement, the Relevant Annex shall be the list

for the relevant Index with the relevant Annex Date, as published by the Index Publisher (which can be accessed currently at <http://www.markit.com>). “Index Publisher” means Markit Group Limited or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the relevant Index.

If “Master Confirmation” is specified in the Transaction Supplement, the Relevant Annex shall be the list for the relevant Index with the relevant Annex Date, substantially in the form of Exhibit C, as agreed by the parties. The parties may agree to a particular list either by amending this General Terms Confirmation, by attaching the list to a Transaction Supplement governed by the Master Confirmation Agreement (which may be a different Transaction Supplement from that governing the particular Master Transaction) or in any other manner that indicates that the list may serve as a Relevant Annex under the Master Confirmation Agreement.

All Guarantees: Applicable

Reference Price: 100%

## 2. INITIAL PAYMENT

Initial Payment: With respect to the Master Transaction to which the Component Transaction relates, on the date that is three Business Days following the Trade Date, the Initial Payment Payer shall pay to the other party an aggregate amount equal to the Initial Payment Amount.

Initial Payment Payer: As shown in the Transaction Supplement

Initial Payment Amount: As shown in the Transaction Supplement

## 3. FIXED PAYMENTS

Fixed Rate Payer Calculation Amount: The Floating Rate Payer Calculation Amount

Fixed Rate Payer Payment Dates: Each June 20 and December 20 in each year

Fixed Rate Payer Calculation: Each period from, and including, one Fixed Rate

Period: Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (a) the initial Fixed Rate Payer Calculation Period will commence on, and include, the later of the Effective Date and the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Trade 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.

Fixed Rate: As shown in the Transaction Supplement

Fixed Rate Day Count Fraction: Actual/360

#### 4. FLOATING PAYMENT

Floating Rate Payer Calculation Amount: An amount equal to (a) the Reference Entity Weighting multiplied by (b) the Original Notional Amount

Reference Entity Weighting: The percentage set out opposite the Reference Entity in the Relevant Annex, provided that the Reference Entity Weighting in respect of an Excluded Reference Entity shall be deemed to be zero

Excluded Reference Entity: As shown in the Transaction Supplement

Conditions to Settlement: Credit Event Notice

Notifying Party: Buyer or Seller

Notice of Physical Settlement

Notice of Publicly Available Information: Applicable

Credit Events: The following Credit Event(s) shall apply:

Failure to Pay

Grace Period Extension: Applicable to Latin America and EEMEA Reference Entities; Not Applicable to Asia Reference Entities

Payment Requirement: USD 1,000,000 (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable)

Obligation Acceleration: Applicable to Latin America and EEMEA Reference Entities; Not Applicable to Asia Reference Entities

Repudiation/Moratorium

Restructuring

Multiple Holder Obligation: Applicable only to Asia Reference Entities

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event

Obligation(s):

<i>Obligation Category</i>	<i>Obligation Characteristics</i>
Bond: (Applicable to Latin America and EEMEA Reference Entities)	Not Subordinated
Bond or Loan: (Applicable to Asia Reference Entities)	Not Sovereign Lender: Applicable only to Asia Reference Entities
	Not Domestic Currency
	Not Domestic Law
	Not Domestic Issuance

Excluded Obligations: None

## 5. SETTLEMENT TERMS

Settlement Method: Physical Settlement

Settlement Currency: The currency of denomination of the Floating Rate Payer Calculation Amount

*Terms Relating to Physical Settlement:*



Physical Settlement Period: As defined in Section 8.6 of the Credit Derivatives Definitions for Latin America and EEMEA Reference Entities; Thirty (30) Business Days for Asia Reference Entities

Deliverable Obligations: Exclude Accrued Interest

Deliverable Obligation(s):

<i>Deliverable Obligation Category</i>	<i>Deliverable Obligation Characteristics</i>
Bond: (Applicable to Latin America and EEMEA Reference Entities)	Not Subordinated
Bond or Loan: (Applicable to Asia Reference Entities)	Specified Currency: Standard Specified Currencies
	Not Sovereign Lender: Applicable only to Asia Reference Entities
	Not Domestic Law
	Not Contingent
	Not Domestic Issuance
	Assignable Loan: Applicable only to Asia Reference Entities
	Transferable
	Maximum Maturity: 30 years for Asia Reference Entities; Not Applicable for Latin America and EEMEA Reference Entities
	Not Bearer

Excluded Deliverable Obligations: None

Partial Cash Settlement of Consent Required Loans: Not Applicable

Partial Cash Settlement of Assignable Loans: Not Applicable

Partial Cash Settlement of Participations: Not Applicable

Escrow: Applicable

## 6. NOTICE AND ACCOUNT DETAILS

Telephone, Telex and/or Facsimile Number  
and Contact Details for Notice:

Party A:

Telephone No.:  
Facsimile No.:

Party B:

Telephone No.:  
Facsimile No.:

Account Details:

Account Details of Party A:

For the Account of:

Name of Bank:

Account No:

Fed ABA No:

Account Details of Party B:

For the Account of:

Name of Bank:

Account No:

Fed ABA No:

## 7. ADDITIONAL PROVISIONS

### 7.1 Disclaimers

- (a) CDX™ is a service mark of the Index Sponsor and has been licensed for use in connection with the Master Transaction. Dow Jones® is a service mark of Dow Jones & Company, Inc. ("Dow Jones") and, with respect to a Master Transaction relating to an Index with an Effective Date prior to March 20, 2007 (a "Prior Index Master Transaction"), has been licensed for use in connection with the Master Transaction.
- (b) The Index referenced herein is the property of the Index Sponsor and has been licensed for use in connection with the transaction hereunder. Each party acknowledges and agrees that the transaction hereunder is not sponsored, endorsed or promoted by Dow Jones, the Index Sponsor or any members of the Index Sponsor (the Index Sponsor, together with its members and, with respect to any Prior Index Master Transaction only, Dow Jones, the "Index Parties"). The Index Parties make no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those

of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index, the composition of the Index at any particular time on any particular date or otherwise, and/or the creditworthiness of, or likelihood of the occurrence of a Credit Event with respect to, any entity in the Index at any particular time on any particular date or otherwise. The Index Parties shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Parties are under no obligation to advise the parties or any person of any error therein. The Index Parties make no representation whatsoever, whether express or implied, as to the advisability of entering into the transaction hereunder, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Parties have no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. Neither party to this transaction, nor any Index Party, shall have any liability to any party for any act or failure to act by the Index Parties in connection with the determination, adjustment, calculation or maintenance of the Index. Although the Calculation Agent will obtain information concerning the Index from sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made, and no responsibility is accepted by either party, its Affiliates or the Calculation Agent, as to the accuracy, completeness or timeliness of information concerning the Index. Each party acknowledges that the other party or one of its Affiliates may be, or may be affiliated with, an Index Party and, as such, may be able to affect or influence the determination, adjustment or maintenance of the Index. For purposes of Sections 9.1(b)(iii) and (iv) of the Credit Derivatives Definitions, references to "each party" therein shall be deemed to include each Index Party.

## **7.2 Cap on Settlement**

Only for a Component Transaction relating to an Asia Reference Entity, notwithstanding Section 1.7 of the Credit Derivatives Definitions or any provisions of Sections 9.9 or 9.10 thereof to the contrary, but without prejudice to Section 9.3 of the Credit Derivatives Definitions and (where applicable) Sections 9.4, 9.5 and 9.6 thereof, if the Termination Date in respect of such Component Transaction has not occurred on or prior to the date that is 60 Business Days following the Physical Settlement Date in respect of such Component Transaction, such 60th Business Day shall be deemed to be the Termination Date with respect to such Component Transaction except in relation to any portion of the Component Transaction (an "Affected Portion") in respect of which:

- (a) a valid notice of Buy-in Price has been delivered that is effective fewer than three Business Days prior to such 60th Business Day, in which case the Termination Date for that Affected Portion shall be the third Business Day following the date on which such notice is effective; or
- (b) Buyer has purchased but not Delivered Deliverable Obligations validly specified by Seller pursuant to Section 9.10(b) of the Credit Derivatives Definitions, in

which case the Termination Date for that Affected Portion shall be the tenth Business Day following the date on which Seller validly specified such Deliverable Obligations to Buyer.

### **7.3 Merger of Reference Entity and Seller**

Section 2.31 of the Credit Derivatives Definitions is deleted in its entirety for the purposes of the Component Transaction to which this General Terms Confirmation relates.

### **7.4 Inconsistency between Relevant Annex and Index**

In the event of any inconsistency between the Relevant Annex and the corresponding Index published by the Index Sponsor, the Relevant Annex shall govern.

### **7.5 Transfer and Termination of Component Transactions**

- (a) Without prejudice to the generality of Section 7 of the Master Agreement and subject to paragraph (b) below, the Component Transaction (or any part thereof) to which this General Terms Confirmation relates may only be transferred (by way of assignment, novation or otherwise) or terminated prior to the Scheduled Termination Date together with an equal part of each other Component Transaction forming part of the Master Transaction of which it forms a part.
- (b) If, following the Trade Date, the Index Sponsor removes a Reference Entity from the Index, either party may elect, by notice to the other party, to have the Component Transaction relating to such Reference Entity cease to constitute a Component Transaction for the purposes of (a) above (the "Removed Component Transaction"), commencing when notice of such election is effective. Unless the parties expressly agree otherwise, a transfer (by way of assignment, novation or otherwise) or termination (other than, where applicable, pursuant to the designation of an Early Termination Date) of the Master Transaction shall not include the Removed Component Transaction.

### **7.6 [De Minimis Cash Settlement**

Notwithstanding that the Settlement Method is Physical Settlement, if the Floating Rate Payer Calculation Amount as at the Event Determination Date is less than USD 50,000 (if the Original Notional Amount is denominated in USD) or EUR 50,000 (if the Original Notional Amount is denominated in EUR), as applicable, then the Settlement Method in respect of the Component Transaction shall be deemed to be Cash Settlement.

For the purposes of this Paragraph 7.6 only, the terms relating to Cash Settlement shall be as follows:

Valuation Date:	Single Valuation Date: A Business Day that is not more than 70 Business Days following the Event Determination Date, as selected by [     ]
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Quotation Method:	Bid
Quotation Amount:	USD 10,000,000
Cash Settlement Date:	Three Business Days
Quotations:	Exclude Accrued Interest
Dealers:	A dealer in obligations of the type of Reference Obligations for which Quotations are to be obtained, as selected by the Calculation Agent
Valuation Method:	Highest
Reference Obligation:	An obligation of the Reference Entity selected by [ ] that is capable of constituting a Deliverable Obligation as at the Valuation Date] <sup>1</sup>

## 7.7 Other Provisions<sup>2</sup>

- (a) The “Additional Provisions for the Russian Federation”, published on August 13, 2004, are incorporated by reference herein and shall be applicable to the Russian Federation if it is a Reference Entity.

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<sup>1</sup> Include if De Minimis Cash Settlement is applicable. If so, complete the open terms.

<sup>2</sup> Include any additional provisions agreed to by the parties.

[Buyer Contact Information:]  
 [Seller Contact Information:]

**TRANSACTION SUPPLEMENT**

This Transaction Supplement is entered into between the Buyer and Seller listed below on the Trade Date set forth below.

The purpose of this communication is to confirm the terms and conditions of the Master Transaction (as defined in the Master Confirmation Agreement defined below) entered into between us on the Trade Date specified below. This Transaction Supplement is entered into under the CDX Emerging Markets Master Credit Derivatives Confirmation Agreement between us dated as of [ ], as amended and supplemented from time to time (the "Master Confirmation Agreement") and, together with the Master Confirmation Agreement and the General Terms Confirmation (as defined in the Master Confirmation Agreement), constitutes a "Confirmation" as referred to in the Master Agreement (as defined in the Master Confirmation Agreement).

The terms of the Master Transaction to which this Transaction Supplement relates are as follows:

Index:	CDX.EM [specify series, if any] [specify version, if any]
Source of Relevant Annex:	[Publisher] [Master Confirmation]
Annex Date:	[ ]
Trade Date:	[ ]
Effective Date:	[Effective Date of Index Contract]
Scheduled Termination Date:	[Scheduled Termination Date of Index Contract]
Original Notional Amount:	[USD] [EUR] [ ]
Floating Rate Payer:	[ ] (the " <u>Seller</u> ")
Fixed Rate Payer:	[ ] (the " <u>Buyer</u> ")
Initial Payment Payer:	[Buyer] [Seller]
Initial Payment Amount:	[ ]
Fixed Rate:	[Fixed Rate on Effective Date of Index Contract]% per annum
[Excluded Reference Entities:	[ ]]
[Additional Terms (including any specific provisions relating to collateral):	[ ]]

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Transaction Supplement and returning it to us [at the contact information listed above].

[\_\_\_\_\_]

[\_\_\_\_\_]

By: \_\_\_\_\_  
 Name:  
 Title:

By: \_\_\_\_\_  
 Name:  
 Title:

[FORM OF RELEVANT ANNEX]

Index: CDX.EM [specify, if relevant, series and/or version]

Annex Date: [date]

Reference Entity

Region<sup>1</sup>

Reference Obligation

Weighting<sup>2</sup>

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<sup>1</sup> With respect to each Reference Entity, indicate “Latin America”, “EEMEA” or “Asia”.  
<sup>2</sup> Include expressed as a percentage.