Introduction
The Markit LCDX Index is composed of Loan Credit Default Swaps on corporate debt of North American companies. All constituents selected for the index must meet the criteria specified in these index rules.

I. General Rules Applicable to Voting (The “General Rules”)
1.1 Each member (a “Member”) of Markit shall have the right at any time to designate itself as a participant in any particular index that is owned by Markit (each such index, a “Covered Index”) by notice to Markit or the administrator hired by Markit, from time to time (the “Administrator”). Each Member shall have the right at any time to cease being a participant in any particular Covered Index by notice to Markit and the Administrator.

1.2 With respect to each vote to be conducted under this Index Methodology (other than a vote under the Pricing Rules), each participant in a Covered Index that is Eligible at the time of such vote (as Eligible is defined within the rules for the particular Covered Index) shall be entitled to participate in such vote. For the avoidance of doubt, any polling of Eligible Members by the Administrator provided for hereunder is considered to be a vote for the purposes of this Index Methodology.

1.3 With respect to each vote conducted under this Index Methodology, in any circumstance in which less than all Eligible Members have provided a response, the Administrator will attempt to re-solicit Eligible Members with the objective of receiving a response from as many Eligible Members as possible. Without limiting the foregoing sentence, seventy-five percent (75%) of Eligible Members who have designated themselves as participants with respect to a particular Covered Index will constitute a quorum for the purpose of making any determination with respect to such Covered Index under this Index Methodology. Except as expressly stated otherwise, (i) all votes conducted pursuant to this Index Methodology require participation by a quorum of the Eligible Members for the applicable Covered Index; and (ii) the votes of a majority of the Eligible Members participating in a particular vote shall determine the outcome (a “Quorum Majority”).

1.4 With respect to each Roll Date (as defined within the rules for the particular Covered Index) for a Covered Index, the Administrator will provide notice to each Member specifying the date of the commencement of the process to determine the composition of such Covered Index no later than fifteen (15) Business Days prior to such Roll Date.

1.5 All references to “Business Days” in this Index Methodology refer to business days on which the Securities Industry and Financial Markets Association declares the fixed income markets to be open. All times referred to in this Index Methodology refer to local time in New York, New York.

II. Rules for Member Eligibility to Vote (the “Eligibility Rules”)
1.1 With respect to each Covered Index for which a Member has declared itself to be a participant, it is the obligation of such Member to provide within the time frame specified by the Pricing Rules end of day prices, and other periodic prices, that are duly solicited by the Administrator on each Business Day.

1.2 The Administrator shall monitor and maintain a record of such participation by the Members. At the end of each day that the Administrator has solicited prices from a Member, the Administrator will send a written notice to such Member informing such Member whether it has met its obligation to provide prices for such day, and if it has not met such obligation, briefly stating how it has failed to meet such obligation. If over any ninety (90) day period a Member has failed more than ten percent (10%) of the time to provide prices with respect to a Covered Index by the applicable deadline, the Administrator shall send such Member a written
warning notifying such Member of its failure to perform its obligations. If over any ninety (90) day period a Member has failed more than fifteen percent (15%) of the time to provide prices with respect to a Covered Index by the applicable deadline, the Administrator shall send such Member a written notice advising that such Member has been “Suspended” and may not vote with respect to such Covered Index (including providing responses to polls in connection with the roll of such Covered Index). Such Member shall remain “Suspended” until such time that the Member has provided prices by the applicable deadline at least eighty five percent (85%) of the time during the immediately preceding ninety (90) day period. For the avoidance of doubt, the first ninety (90) day period during which a Member shall be obligated to provide prices in accordance with this Index Methodology shall begin on the first day after this Index Methodology is approved by the Board of Directors of Markit and no Member shall be “Suspended” due its failure to provide prices prior to such date.

III. Rules for the LCDX Index (the “LCDX Rules”)

1. Administration of the Index

1.1 LCDX.NA Index (the “LCDX Index”) is composed of one hundred (100) entities. The composition of the LCDX Index shall be determined based on submissions by each Member that elects, as provided in the General Rules, to participate in the determination of the LCDX Index on a continuing basis (the “LCDX Members”). CDS and/or the Administrator shall from time to time publish an updated list of LCDX Members. Each LCDX Index will begin on October 3 (or the next Business Day in the event that October 3 is not a Business Day) and April 3 (or the next Business Day in the event that April 3 is not a Business Day) of each calendar year (each such date a “Roll Date”); provided that if a Quorum Majority votes to change the Roll Date, the Roll Date shall be the Business Day designated by such Quorum Majority.

1.2 The removal of names from a current LCDX Index and the determination of the LCDX Index will be administered by the Administrator based upon the rules and procedures as provided herein. All information submitted by LCDX Members to the Administrator shall be received by the Administrator in confidence.

1.3 The Administrator has sole responsibility to interpret the Rules.

1.4 Upon the occurrence of an event that the Administrator determines materially impacts the integrity of LCDX Index-related transactions, including but not limited to trading interruptions; market instability; and/or force majeure events, the Administrator, acting in a commercially reasonable manner, may at its sole discretion determine that it is appropriate to depart from the methodologies, timelines and/or procedures set forth in the Rules in order to obtain a result that preserves the economic intent of the LCDX Index. Where the best course of action is not clear Markit will consult the Eligible LCDX Members for guidance prior to making any such determination. The determined course of action will be documented, communicated to all stakeholders and published on the Markit website www.markit.com/Product/Indices under the LCDX News page.

1.5 Affiliates of an entity included in the LCDX Index that are guaranteed by that entity are not eligible for inclusion in the LCDX Index. Non-guaranteed affiliates of an entity included in the LCDX Index are eligible for inclusion.

1.6 Each LCDX Index that has a Roll Date of October 3 or the next Business Day following October 3 shall have a fixed rate published for the maturity date of December 20 of the fifth new calendar year following such Roll Date.
1.7 Each LCDX Index that has a Roll Date of April 3 or the next Business Day following April 3 shall have a fixed rate published for the maturity date of June 20 of the fifth new calendar year following such Roll Date.

1.8 Each LCDX Index shall be composed of one hundred (100) entities, with equal weighting of 1%.

1.9 The initial LCDX Index shall be determined by application of the procedures specified in Section 5 rather than the procedures specified in Section 3. Products based on the initial LCDX Index will begin trading on May 22, 2007, or such other Business Day designated by a Quorum Majority (the “Initial Roll Date”).

2. Eligibility Rules

2.1 At any time, an LCDX Member shall be deemed not “Eligible” if any of the following criteria apply: (i) with respect to any vote under these LCDX Rules, if at such time the LCDX Member has been deemed to be Suspended with respect to the LCDX Index for certain failures to provide daily pricing, as provided in the Eligibility Rules; or (ii) with respect to any vote to eliminate a particular entity from the LCDX Index conducted pursuant to Section 3.3 and Section 3.4, where the LCDX Member has failed to respond to the polling for a list of entities to be eliminated from the LCDX Index conducted pursuant to Section 3.1; or (iii) with respect to any vote to express an order of preference as to which particular entity to add to the LCDX Index conducted pursuant to Section 3.7, where the LCDX Member has failed to submit a list of additional entities pursuant to Section 3.5 or Section 3.7. In the event that an LCDX Member becomes not Eligible for any of the foregoing reasons, the Administrator will provide the LCDX Member that has become not Eligible a written notice informing it of the reason(s) it is not Eligible. Notwithstanding the foregoing, CDS shall at all times have the right to waive any or all of the foregoing criteria and to deem an LCDX Member to be Eligible.

3. Polling Process in Connection with a Roll

3.1 Twelve (12) Business Days prior to the Roll Date of a new LCDX Index, the Administrator will solicit each Eligible LCDX Member to submit a list of entities in the then current LCDX Index that in such Eligible LCDX Member’s judgment should not be included in the LCDX Index for the next six-month period based on the following criteria (specifying in writing which of the following criteria apply):

(a) entities for which the list of loans and loan commitments satisfying the Syndicated Secured characteristic (as such characteristic is defined in the documentation governing untranchcred credit default swap transactions referencing the LCDX Index and published by CDS and the International Swaps and Derivatives Association, Inc. (“ISDA”) from time to time (the “Index Documentation”) as “First Lien Loans” on the website of the Markit Group Limited (or any successor publisher of such lists) (such list, the “SSL” and such publisher, the “List Publisher”) has been withdrawn and has not been replaced;

(b) entities for which a merger or other corporate action has occurred or been announced that renders such entity no longer suitable for inclusion; and

(c) entities whose outstanding loans and loan commitments or for which loan credit default swap contracts have become materially less liquid.
3.2 The Administrator will eliminate all entities from the new LCDX Index listed in connection with Section 3.1(a) for which the Administrator has confirmed such status.

3.3 The Administrator will solicit from each Eligible LCDX Member a vote as to which entities listed in connection with Section 3.1(b) should be eliminated from the new LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

3.4 The Administrator will solicit from each Eligible LCDX Member a vote as to which entities listed by three or more Eligible LCDX Members in connection with Section 3.1(c) should be eliminated from the new LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

3.5 After such entities have been eliminated from the new LCDX Index pursuant to the above and no later than ten (10) Business Days prior to the Roll Date, the Administrator will determine the number of additional entities required to add to those entities remaining in the new LCDX Index to total one hundred (100) and will solicit each Eligible LCDX Member to submit an initial list of entities, together with sector designations, that includes two-times the number of entities so required, each of which has an SSL including at least one loan or loan commitment (such entities, “Qualified Entities”).

3.6 The Administrator will inform Eligible LCDX Members of the list of entities and their respective sector designation submitted to the Administrator for Eligible LCDX Members’ consideration.

3.7 No later than nine (9) Business Days prior to the Roll Date, the Administrator will solicit each Eligible LCDX Member to submit a final list of Qualified Entities for inclusion in the new LCDX Index. The Administrator will add to the new LCDX Index those entities receiving the greatest number of votes until the new LCDX Index totals one hundred (100) entities. In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the new LCDX Index. The Administrator will add such entities to the new LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the new LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will submit such entities to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the new LCDX Index. The Administrator will add such entities to the new LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the new LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the LCDX Index until it totals one hundred (100) entities.

3.8 No later than four (4) Business Days prior to the Roll Date (the “Index Publication Date”), the Administrator will publish to the public and Eligible LCDX Members the composition of the new LCDX Index for that next six-month period. At such time, the Administrator will also publish to the public the current list of Eligible LCDX Members for the new LCDX Index.
3.9 At or about 1:00 p.m. on the date three (3) Business Days prior to the Roll Date (the “Fixed Rate Determination Date”), the fixed rate for the maturity of the new LCDX Index will be determined by the Administrator by soliciting each Eligible LCDX Member to submit an average spread for such maturity (in increments of five (5) basis points). The Administrator will re-solicit Eligible LCDX Members until at least seventy-five percent of the Eligible LCDX Members have submitted such spreads. The Administrator will then select the median of such submissions rounded to the nearest multiple of five (5) basis points as the fixed rate. No later than 3:00 p.m. on the Fixed Rate Determination Date, the Administrator will provide the fixed rate so determined for the maturity of the new LCDX Index to the publication service designated by CDS; provided, however, that the Administrator will not notify any Member or otherwise publicize the fixed rate for the new LCDX Index until after 5:00 p.m. on the Fixed Rate Determination Date at which time the Administrator will promptly notify the Eligible LCDX Members and publicize such fixed rate.

3.10 Two (2) Business Days prior to the Roll Date, the Administrator will publish to the Eligible LCDX Members (but not the public) a draft of the annex for the LCDX Index along with the weighting for each entity within the new LCDX Index. The final annex for the LCDX Index will be published after 5:00 p.m. on the Business Day immediately preceding the Roll Date.

3.11 Products based on the new LCDX Index will begin trading on the Roll Date.

4. Changes to an LCDX Index

4.1 Removal of a Reference Entity with no Syndicated Secured List. In the event that the SSL for an entity in an LCDX Index is withdrawn by the List Publisher and such SSL is not replaced on or before the thirtieth New York and London Business Day (as defined in the Index Documentation) after such withdrawal, the Administrator shall remove such entity from such LCDX Index and immediately publicize such removal and the resulting new composition of such LCDX Index with effect from such thirtieth Business Day if a Quorum Majority agrees that such entity should be removed from such LCDX Index. In addition, the Administrator will publish a new version of the annex for such LCDX Index in which the weightings of the remaining entities in such LCDX Index will remain constant and the removed entity will have a weighting of zero. The Administrator will solicit votes from each Eligible LCDX Member to indicate whether such Eligible LCDX Member agrees that such entity should be removed from such LCDX Index prior to the thirtieth New York and London Business Day after such SSL has been withdrawn.

4.2 Other Removal of Reference Entities. In the event that three or more Eligible LCDX Members request that the Administrator remove an entity from an LCDX Index (specifying in writing the reason for such proposed removal), on the day on which the Administrator receives the third such request, or on the following day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible LCDX Member to indicate whether such Eligible LCDX Member agrees that such entity should be removed from such LCDX Index. In the event that a Quorum Majority agrees that the entity should be removed from such LCDX Index, the Administrator shall remove such entity from such LCDX Index and immediately publicize such removal and the resulting new composition of such LCDX Index with effect from the day immediately following such publication. In addition, the Administrator will publish a new version of the annex for such LCDX Index in which the weightings of the remaining entities in such LCDX Index will remain constant and the removed entity will have a weighting of zero.
5. Initial Composition

The initial LCDX Index shall be determined in accordance with the following procedures.

5.1 Prior to the Initial Roll Date, the Administrator will solicit from each Eligible LCDX Member a list of one hundred (100) Qualified Entities for inclusion in the initial LCDX Index, together with sector designations.

5.2 The Administrator will publish to the Eligible LCDX Members (but not the public) a list of the one hundred (100) entities receiving the greatest number of votes (such list, the “Proposed LCDX Index”), together with sector designations, as well as a list of all other entities submitted by Eligible LCDX Members for consideration for the initial LCDX Index, together with sector designations. In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the Proposed LCDX Index. The Administrator will add such entities to the Proposed LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the Proposed LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the Proposed LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the Proposed LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the Proposed LCDX Index until it totals one hundred (100) entities.

5.3 After the publication to the Eligible LCDX Members of the Proposed LCDX Index, the Administrator will solicit each Eligible LCDX Member to vote whether it accepts the Proposed LCDX Index. If a Quorum Majority accepts the Proposed LCDX Index, then such index will be the initial LCDX Index.

5.4 In the event that a Quorum Majority does not accept the Proposed LCDX Index, the Administrator will solicit each Eligible LCDX Member to submit a list of entities in the Proposed LCDX Index that in such Eligible LCDX Member’s judgment should not be included in the initial LCDX Index. The Administrator will solicit from each Eligible LCDX Member a vote as to which entities listed by two or more Eligible LCDX Members should be eliminated from the Proposed LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

5.5 The Administrator will determine the number of additional entities required to add to those entities remaining in the initial LCDX Index to total one hundred (100) and will solicit each Eligible LCDX Member to submit a list of Qualified Entities, together with sector designations, that includes two-times the number of entities so required. The Administrator will add to the initial LCDX Index those entities receiving the greatest number of votes until the initial LCDX Index totals one hundred (100) entities (such list, the “Modified Proposed LCDX Index”). In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the Modified Proposed LCDX Index. The Administrator will add such entities to the Modified Proposed LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the Modified Proposed LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the Modified Proposed LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the Modified Proposed LCDX Index would
cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the Modified Proposed LCDX Index until it totals one hundred (100) entities. The Administrator will promptly publish to each Eligible LCDX Member (but not the public) the Modified Proposed LCDX Index.

5.6 After the publication to the Eligible LCDX Members of the Modified Proposed LCDX Index, the Administrator will solicit from each Eligible LCDX Member a vote as to whether the Proposed LCDX Index or the Modified Proposed LCDX Index should be accepted as the initial LCDX Index. The list of entities receiving the greatest number of votes will be the initial LCDX Index; provided that if the Proposed LCDX Index and the Modified Proposed LCDX Index receive the same number of votes, the Modified Proposed LCDX Index will be the initial LCDX Index.

5.7 Prior to the Initial Roll Date, the Administrator will publish to the public (i) the composition of the initial LCDX Index and (ii) the current list of Eligible LCDX Members for the initial LCDX Index.

5.8 Prior to the Initial Roll Date, the Administrator will publish to the Eligible LCDX Members (but not the public) a draft of the annex for the initial LCDX Index along with the weighting associated with each entity within the initial LCDX Index.

5.9 At or about 1:00 p.m. on the Business Day immediately prior to the Initial Roll Date or on an earlier Business Day (not prior to the third Business Day preceding the Initial Roll Date) selected by the Administrator and notified to the Eligible LCDX Members, the Administrator will determine the fixed rate for the maturity of the initial LCDX Index as provided in Section 3.9. The final annex for the initial LCDX Index will be published after 5:00 p.m. on the Business Day immediately preceding the Initial Roll Date.

6. LCDX Auction Settlement Terms

6.1 The terms of the LCDS Auction Rules published by CDS and ISDA from time to time are incorporated by reference herein.

IV. CDX Index Daily Fixing Process and Calculation (the “Pricing Rules”)

For each Covered Index set forth below, the Administrator will solicit closing mid prices from all Members that elect, as provided in the General Rules, to participate with respect to such Covered Index (a “Participating Member”). These prices will be submitted either by spreadsheet (or any other electronic delivery format designated as acceptable by the Administrator) or, later, via the Administrator’s automated mechanism between 5:00 p.m. and 6:30 p.m. each day other than Saturday, Sunday, and United States Federal Holidays; provided that on any day that the Securities Industry and Financial Markets Association recommends closing the fixed income markets early, prices will be submitted within thirty (30) minutes after the time set by the Securities Industry and Financial Markets Association for the closing of the fixed income markets. The Administrator will publish a list of Participating Members with respect to each Covered Index set forth below. A Member will be removed from such published list for a Covered Index during any period for which it has been Suspended with respect to such Covered Index in accordance with the Eligibility Rules.

The Administrator will employ a filtering process to price the index. This entails taking the received quotes, discarding the top and bottom quartiles and taking the mean of what remains. The number of points q in each discarded quartile will be given by q=int(Nc/4) where Nc is the total number of contributors. Examples are shown in the table below:
Table of Discarded Quartile Examples

<table>
<thead>
<tr>
<th>Number of Contributors</th>
<th>Upper Quartile Discards</th>
<th>Lower Quartile Discards</th>
<th>Number of Quotes used in Fixing</th>
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<tr>
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<tr>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2 but fixing only calculated where minimum acceptable no = 4</td>
</tr>
<tr>
<td>5</td>
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<td>1</td>
<td>3 but fixing only calculated where minimum acceptable no &lt;= 5</td>
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<td>1</td>
<td>5 but fixing only calculated where minimum acceptable no &lt;= 7</td>
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In order to calculate the official fixing value for a particular Covered Index, the Administrator must receive closing mid prices from at least the number of Participating Members listed in the table set forth below for the applicable Covered Index under the column entitled Minimum Number of Contributors. If the Administrator receives fewer closing mid prices for a Covered Index than the number listed in such column but at least the number of closing mid prices listed in the corresponding column entitled Publication Threshold, the Administrator will calculate and publish a fixing value for such Covered Index, but such value will not be an official value, and will be published together with an appropriate notice indicating that such value is only indicative and not official. If the Administrator receives fewer mid prices for a Covered Index than the number listed in the column entitled Publication Threshold, the Administrator will not publish a fixing value for such Covered Index. The numbers in the table below, and the list of Members that contribute closing mid prices for each Covered Index will be subject to periodic review by the Administrator and CDS. If a majority of Members vote to (i) collect closing mid prices for a Covered Index not listed in the table below, (ii) no longer collect closing mid prices for a Covered Index then listed in the table below, (iii) modify any of the numbers then listed in the table below, and/or (iv) otherwise modify the table below, the table below shall be amended to reflect the results of such vote and the Administrator shall follow such amended Pricing Rules.

Table of Minimum Contributor Numbers

<table>
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<th>Index</th>
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<td>4</td>
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/ 10
Disclaimer

The Administrator does not undertake any duty of care and will not be liable to any party to a transaction referencing a LCDX Index, or related Sub-Index, for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with the Administrator's performance of its duties under the Rules, except in the case of the Administrator's gross negligence, fraud or willful misconduct.