

**DOW JONES CDX EMERGING MARKETS DIVERSIFIED TRANCHE TRANSACTIONS
STANDARD TERMS SUPPLEMENT**
(published as of April 4, 2005)¹

This Dow Jones CDX Emerging Markets Diversified Tranche Transactions Standard Terms Supplement (the “Dow Jones CDX EM Diversified Tranche Terms”) 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 Dow Jones CDX EM Diversified Tranche Terms, this Dow Jones CDX EM Diversified Tranche Terms will govern.

The Credit Derivative Transaction governed by this Dow Jones CDX EM Diversified Tranche Terms (the “Transaction”) relates to a basket of Reference Entities (as described below). Each settlement in respect of a Reference Entity following a Credit Event will terminate only the corresponding portion of the Transaction, as outlined below. Without prejudice to Section 3.9 of the Credit Derivatives Definitions, upon the occurrence of an Event Determination Date with respect to a Reference Entity, additional Credit Events with respect to that Reference Entity will not have any effect on the Transaction (a) unless that Reference Entity subsequently becomes a Successor to another Reference Entity in respect of which an Event Determination Date has not occurred and (b) except as otherwise provided in the “Successors” provision below. The Transaction contemplates that there may be more than one Credit Event and accordingly more than one Event Determination Date and more than one settlement and that the Credit Derivatives Definitions (and in particular the definition of Termination Date) should, for the purposes of the Transaction, be interpreted accordingly.

1. GENERAL TERMS

Index:	As shown in the relevant Confirmation
Index Sponsor:	CDS Indexco LLC
Trade Date:	As shown in the relevant Confirmation
Effective Date:	As shown in the relevant Confirmation
Scheduled Termination Date:	As shown in the relevant Confirmation
Termination Date:	The Scheduled Termination Date; <u>provided</u> that:

¹ The definitions and provisions of this Dow Jones CDX Emerging Markets Diversified Tranche Transactions Standard Terms Supplement may be incorporated into a confirmation or other document (including in electronic form) (a “Confirmation”) by wording in the Confirmation indicating that, or the extent to which, the Confirmation is subject to this Dow Jones CDX Emerging Markets Diversified Tranche Transactions Standard Terms Supplement. All definitions and provisions so incorporated in a Confirmation will be applicable to that Confirmation unless otherwise provided in that Confirmation.

(a) if the Outstanding Swap Notional Amount is reduced to zero prior to the Scheduled Termination Date, the Termination Date shall be the Cash Settlement Date or Cut-Off Date, as appropriate, relating to the Incurred Loss Amount or Incurred Recovery Amount that causes the Outstanding Swap Notional Amount to be reduced to zero; and

(b) if the last Cash Settlement Date, Grace Period Extension Date, Repudiation/Moratorium Evaluation Date or Cut-Off Date occurs after the Scheduled Termination Date, the Termination Date shall be the last such date.

Floating Rate Payer:

As shown in the relevant Confirmation (the "Seller")

Fixed Rate Payer:

As shown in the relevant Confirmation (the "Buyer")

Reference Entities:

Subject to Paragraph 6.4 below, each Reference Entity contained in the Index and listed in the Relevant Annex, and any Successor. For the avoidance of doubt, if, in respect of a Reference Entity listed in the Relevant Annex, a Succession Event or other 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.

Excluded Reference Entities:

As shown in the relevant Confirmation

CDS Amount Reference Entities:

Each Reference Entity of a Region/Type for which 60 Business Day Cap on Settlement is specified as "Not Applicable" in the Trading Terms Matrix.

Reference Obligation(s):

With respect to each Reference Entity, the Reference Obligation(s) (if any) specified in the Index and set out opposite the relevant Reference Entity in the Relevant Annex, subject to Paragraph 6.4 below, Sections 2.2(d) and 2.30 of the Credit Derivatives Definitions and the following paragraphs:

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

Where there would be more than one Reference Obligation for a Reference Entity as a result of a Succession Event, the Calculation Agent shall associate each Reference Obligation with the relevant portion of the aggregate Reference Entity Notional Amount for that entity as indicated by the Index Sponsor or, in the absence of such an indication, as the Calculation Agent determines appropriate to preserve the economic effects of the Credit Derivative Transaction prior to the Succession Event (considered in the aggregate).

Original Swap Notional Amount:	As shown in the relevant Confirmation
Attachment Point:	As shown in the relevant Confirmation
Exhaustion Point:	As shown in the relevant Confirmation
Reference Entity Credit Position:	The Weighting set out opposite the relevant Reference Entity in the Relevant Annex; <u>provided</u> that the Reference Entity Credit Position in respect of an Excluded Reference Entity shall be deemed to be zero
Tranche Size:	Exhaustion Point <u>minus</u> Attachment Point
Implicit Portfolio Size:	Original Swap Notional Amount <u>divided by</u> Tranche Size
Reference Entity Notional Amount:	With respect to each Reference Entity, (a) Implicit Portfolio Size <u>multiplied by</u> (b) the Reference Entity Credit Position for such Reference Entity <u>multiplied by</u> (c) the fraction obtained by dividing one by the aggregate of the Reference Entity Credit Positions for all Reference Entities, subject to adjustment as provided in Paragraph 6.2 below and Section 2.2 of the Credit Derivatives Definitions, as

modified by the "Successors" provision below.

Loss Threshold Amount: Implicit Portfolio Size multiplied by Attachment Point

Recovery Threshold Amount: (a) Implicit Portfolio Size multiplied by (b) 100% minus Exhaustion Point

Calculation Agent: As shown in the relevant Confirmation

Calculation Agent City: New York

Business Days for the purpose of the calculation and payment of Fixed Amounts and the Initial Payment Amount only: If the Original Swap Notional Amount is denominated in:

USD: New York and London

EUR: London and TARGET Settlement Day

(each such day being a "Currency Day").

Business Days for all purposes other than the calculation and payment of Fixed Amounts and the Initial Payment Amount and Calculation Agent City Business Day: With respect to each Reference Entity, the Business Days specified in the Trading Terms Matrix for the relevant Region/Type (each such day being a "Transaction Day"). In the event that due to the application of the relevant Transaction Days, settlement would otherwise occur on a day that is not a Currency Day, such settlement shall occur in accordance with the terms of the Transaction on the first Currency Day to occur after such 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 Dow Jones CDX EM Diversified Tranche Terms or in the relevant Confirmation that falls on a day that is not a Business Day)

Relevant Annex: In the relevant Confirmation, the parties shall specify whether the source of the Relevant Annex is "Publisher" or "Confirmation Annex" 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.

If "Publisher" is specified in the relevant Confirmation, 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.mark-it.com>). “Index Publisher” means Mark-it Partners Ltd. or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the relevant Index.

If “Confirmation Annex” is specified in the relevant Confirmation, the Relevant Annex shall be the list for the relevant Index with the relevant Annex Date, as agreed by the parties.

Trading Terms Matrix:

The terms for the relevant Index, as published by the Index Publisher (which can be accessed currently at <http://www.mark-it.com>). In the event of any inconsistency between the Trading Terms Matrix and this Dow Jones CDX EM Diversified Tranche Terms or the Credit Derivatives Definitions, the Trading Terms Matrix will govern.

Successors:

Section 2.2(a) of the Credit Derivatives Definitions is amended by deleting the words “for the entire Credit Derivative Transaction” from Section 2.2(a)(i) and (ii) of the Credit Derivatives Definitions and replacing them with the words “in respect of such Reference Entity”; and by deleting the words “for a New Credit Derivative Transaction determined in accordance with the provisions of Section 2.2(e)” from Section 2.2(a)(iii) and (iv) of the Credit Derivatives Definitions.

Section 2.2(d)(i) of the Credit Derivatives Definitions is amended by replacing “a Credit Derivative Transaction” with “a Reference Entity”; and the last line of Section 2.2(d) of the Credit Derivatives Definitions is amended by replacing “each relevant Credit Derivative Transaction” with “each relevant Reference Entity”.

Section 2.2(e) of the Credit Derivatives Definitions is deleted and replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a), one or more Successors have been identified in respect of a Reference Entity that has been subject to the relevant Succession Event (the

“Affected Entity”), (i) the Affected Entity will no longer be a Reference Entity for purposes of the Credit Derivative Transaction (unless it is a Successor as described in Section 2.2(e)(ii) below), (ii) each Successor will be deemed a Reference Entity for purposes of the Credit Derivative Transaction, (iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity immediately prior to the application of Section 2.2 divided by the number of Successors and (iv) the Calculation Agent may make any modifications to the terms of the Credit Derivative Transaction required to preserve the economic effects of the Credit Derivative Transaction prior to the Succession Event (considered in the aggregate).”

Subject to the final paragraph of these “Successors” provisions, if a Successor is already a Reference Entity at the time Section 2.2 of the Credit Derivatives Definitions is applied (and is not itself the Affected Entity), the Reference Entity Notional Amount with respect to such Reference Entity shall be equal to the sum of (a) the Reference Entity Notional Amount in respect of the Reference Entity immediately prior to the application of Section 2.2 of the Credit Derivatives Definitions and (b) the Reference Entity Notional Amount in respect of such Reference Entity as a result of the application of Section 2.2(e)(iii) of the Credit Derivatives Definitions (as amended hereby).

If a Successor is already a Reference Entity at the time Section 2.2 of the Credit Derivatives Definitions is applied and either (i) as a result of the relevant Succession Event, such Reference Entity would have more than one Reference Obligation or Region/Type or different applicable terms in the Trading Terms Matrix or (ii) the Affected Entity or the Reference Entity that was already a Reference Entity immediately prior to the application of Section 2.2 of the Credit Derivatives Definitions had multiple Reference Obligations immediately prior to such application, (a) the immediately preceding paragraph shall not apply, (b) there shall be deemed to be a

separate Reference Entity hereunder associated with each such Reference Obligations, Region/Type or applicable terms in the Trading Terms Matrix, as applicable, (c) the Reference Entity Notional Amount of the Reference Entity that was already a Reference Entity immediately prior to the application of Section 2.2 of the Credit Derivatives Definitions shall equal the Reference Entity Notional Amount in respect of such Reference Entity immediately prior to such application, (d) the Reference Entity Notional Amount of the Successor determined by application of Section 2.2 of the Credit Derivatives Definitions shall equal the amount determined by application of Section 2.2(e)(iii) of the Credit Derivatives Definitions (as amended hereby) and (e) the Conditions to Settlement may be satisfied, and settlement with respect thereto may occur, separately for each such Reference Entity.

All Guarantees:

With respect to each Reference Entity, as specified in the Trading Terms Matrix for the relevant Region/Type

Reference Price:

100%

2. INITIAL PAYMENT

Initial Payment:

If an Initial Payment Payer and an Initial Payment Amount are specified in the relevant Confirmation, on the date that is three Business Days following the Trade Date, the Initial Payment Payer shall pay to the other party an amount equal to the Initial Payment Amount.

Initial Payment Payer:

As shown in the relevant Confirmation

Initial Payment Amount:

As shown in the relevant Confirmation

3. FIXED PAYMENTS

Fixed Rate Payer Calculation Amount:

For any Fixed Rate Payer Calculation Period, an amount determined by the Calculation Agent equal to (a) the sum of the Outstanding Swap Notional Amount as at 5 p.m. in the Calculation Agent City on each day in such Fixed Rate Payer Calculation Period, divided by (b) the actual number of days in such Fixed

Rate Payer Calculation Period.

If an Event Determination Date and a related Calculation Date occur in the same Fixed Rate Payer Calculation Period, then for purposes of determining the Fixed Rate Payer Calculation Amount, the Outstanding Swap Notional Amount shall be deemed to have been reduced by the Incurred Loss Amount (if any) and/or the Incurred Recovery Amount (if any) with respect to such Calculation Date on the day following the relevant Event Determination Date (notwithstanding that such Incurred Loss Amount and/or Incurred Recovery Amount are in fact determined on the Calculation Date).

If an Event Determination Date and a related Calculation Date occur in different Fixed Rate Payer Calculation Periods, then for purposes of determining the Fixed Rate Payer Calculation Amount, the Outstanding Swap Notional Amount shall be deemed to have been reduced by the Incurred Loss Amount (if any) and/or the Incurred Recovery Amount (if any) with respect to such Calculation Date on the first day of the Fixed Rate Payer Calculation Period in which such Calculation Date occurs (notwithstanding that such Incurred Loss Amount and/or Incurred Recovery Amount are in fact determined on the Calculation Date).

Outstanding Swap Notional Amount:

At any time on any day, the greater of:

- (a) zero; and
- (b) the Original Swap Notional Amount minus the sum of all Incurred Loss Amounts and all Incurred Recovery Amounts (if any) determined in respect of the Transaction at or prior to such time.

Fixed Rate Payer Payment Dates:

Each June 20 and December 20 commencing on the Initial Fixed Rate Payer Payment Date and ending on and including the earlier to occur of the Scheduled Termination Date and the Termination Date.

Section 2.10 of the Credit Derivatives Definitions is amended by deleting the last

four lines thereof, beginning with “, provided”.

Initial Fixed Rate Payer Payment Date:

As shown in the relevant Confirmation

Fixed Rate Payer Calculation Period:

Section 2.9 of the Credit Derivatives Definitions is amended by replacing the words “the Effective Date” with “the calendar day immediately following the Trade Date” and by replacing the words “the earlier to occur of the Scheduled Termination Date and the Event Determination Date” with “the earlier to occur of the Scheduled Termination Date and the Calculation Date on which the Outstanding Swap Notional Amount is reduced to zero”.

Section 5.4 of the Credit Derivatives Definitions is amended by replacing the words “the earlier to occur of the Scheduled Termination Date and the Event Determination Date” with “the earlier to occur of the Scheduled Termination Date and the Calculation Date on which the Outstanding Swap Notional Amount is reduced to zero”.

Fixed Rate:

As shown in the relevant Confirmation

Fixed Rate Day Count Fraction:

Actual/360

Rebate of Fixed Amounts:

In the event that the Calculation Date for any Incurred Loss Amount (if any) and/or Incurred Recovery Amount (if any) occurs after the Fixed Rate Payer Calculation Period in which the related Event Determination Date occurs, then on the Cash Settlement Date relating thereto, Seller shall pay to Buyer an amount equal to (a) such Incurred Loss Amount (if any) plus such Incurred Recovery Amount (if any) multiplied by (b) the Fixed Rate multiplied by (c) the number of days from, and including, the day following the Event Determination Date to, but excluding, the Fixed Rate Payer Payment Date occurring on or immediately prior to such Calculation Date (or, if such Fixed Rate Payer Payment Date is the Scheduled Termination Date, to, and including, such Fixed Rate Payer Payment Date) divided by (d) 360.

4. FLOATING PAYMENTS

Conditions to Settlement:	Credit Event Notice Notifying Party: Buyer or Seller Notice of Physical Settlement Notice of Publicly Available Information: Applicable
Credit Events:	With respect to each Reference Entity, as specified in the Trading Terms Matrix for the relevant Region/Type
Obligation(s):	With respect to each Reference Entity, in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the Trading Terms Matrix for the relevant Region/Type
Excluded Obligations:	None

5. SETTLEMENT TERMS

Settlement Method:	Physical Settlement and Cash Settlement, each as modified hereby
Settlement Currency:	The currency of denomination of the Original Swap Notional Amount
Currency Amount:	Section 8.9 of the Credit Derivatives Definitions is deleted and replaced in its entirety by the following: ““Currency Amount” means, whenever an amount is specified to be determined by reference to a Currency Amount, (a) where such amount is denominated in the Settlement Currency, such amount, and (b) where such amount is denominated in a currency other than the Settlement Currency, such amount converted to the Settlement Currency using the Currency Rate.”

Terms Relating to Physical Settlement:

Notwithstanding the provisions of the Credit Derivatives Definitions, in any Notice of Physical Settlement Buyer will specify (a) the outstanding principal balance of each Selected Obligation, the aggregate Currency Amount of which shall be between (i) USD

100,000 (if the Original Swap Notional Amount is denominated in USD) or EUR 100,000 (if the Original Swap Notional Amount is denominated in EUR) (or, in either case, if less, the Reference Entity Notional Amount) and (ii) the Reference Entity Notional Amount; provided that, for the avoidance of doubt, Buyer may not specify an outstanding principal balance of a Selected Obligation of less than the minimum denomination of that Selected Obligation and (b) if Buyer so elects, that Delivery Estimate is applicable for the related Physical Settlement.

The first paragraph of Section 8.1 of the Credit Derivatives Definitions is replaced by the following: “Buyer will, subject to Sections 3.1 and 9.2(c)(ii) and regardless of whether the Aggregate Loss Amount has exceeded the Loss Threshold Amount, on or prior to the Physical Settlement Date, Deliver to Seller the Selected Obligations. Unless Buyer has elected that Delivery Estimate is applicable in the Notice of Physical Settlement, Seller will, on each related Cash Settlement Date, pay to Buyer the relevant Weighted Average Final Price multiplied by the aggregate Currency Amount of the outstanding principal balance of the Selected Obligations Delivered on the related Delivery Date (the “Market Value Amount”). If Buyer has elected that Delivery Estimate is applicable in the Notice of Physical Settlement, (a) Seller will, on each related Delivery Date, pay to Buyer the relevant Weighted Average Estimated Price multiplied by the aggregate Currency Amount of the outstanding principal balance of the Selected Obligations Delivered on the relevant Delivery Date (the “Estimated Amount”) and (b) Seller (if the Adjustment Amount is positive) or Buyer (if the Adjustment Amount is negative) will pay to the other party the absolute value of the Adjustment Amount on each related Cash Settlement Date. If Buyer Delivers a Selected Obligation in an aggregate amount greater than the relevant outstanding principal balance of such Selected Obligation as specified in the Notice of Physical Settlement, Seller shall not be required to pay the Market Value Amount or Estimated Amount, as applicable, and the relevant party shall not be required to pay the Adjustment Amount (or in each case the relevant part thereof in respect of such Selected Obligation) to the extent of such excess. For purposes of the foregoing, Delivery by Buyer and, if applicable, payment by Seller of the Estimated Amount will be made in accordance with market practice applicable to the Selected Obligation on the Delivery Date.” All references in the related provisions of the Credit Derivatives Definitions to Delivery by Buyer of Deliverable Obligations with an outstanding principal balance equal to the Physical Settlement Amount shall be construed to refer to Delivery of Selected Obligations with an outstanding principal balance equal to the outstanding principal balance of the Selected Obligations as specified in the Notice of Physical Settlement and all references in the related provisions of the Credit Derivatives Definitions to payment by Seller of the Physical Settlement Amount (including in Section 9.3 of the Credit Derivatives Definitions) shall be construed to refer to payment by Seller of the relevant Market Value Amount on each related Cash Settlement Date or, as applicable, by Seller of the relevant Estimated Amount on each related Delivery Date and payment by the relevant party of the Adjustment Amount on each related Cash Settlement Date; provided that, in the event that a Buy-in Price is determined, on the third Business Day following notice from Seller to Buyer of the Buy-in Price, Buyer will be deemed to have Delivered Selected Obligations in an amount equal to the aggregate of the outstanding principal balance of each Selected Obligation for which a Buy-in Price was determined and Seller will have no obligation to pay the related Market Value Amount or Estimated Amount, as applicable, and neither party will have any obligation to pay any Adjustment Amount in connection with such deemed Delivery.

Section 9.3 of the Credit Derivatives Definitions is amended by deleting the last two

sentences thereof and replacing them with:

“If, following the occurrence of any such impossibility or illegality, the amount of Selected Obligations as specified in the Notice of Physical Settlement are not Delivered to Seller on or prior to the Latest Permissible Physical Settlement Date, Buyer’s obligation to Deliver Selected Obligations to Seller shall cease in respect of the Selected Obligations that cannot be Delivered (the “Undeliverable Obligations”), Seller shall have no obligation to pay any Market Value Amount or Estimated Amount, as applicable, and neither party shall have any obligation to pay any Adjustment Amount, in respect of such Undeliverable Obligations, and Cash Settlement pursuant to the provisions of the Confirmation shall apply, provided that Buyer shall be deemed to have Delivered all Undeliverable Obligations to Seller on the first Business Day following the Latest Permissible Physical Settlement Date and Quotations shall be determined in accordance with the definition in Section 9.8(k) rather than Section 7.7 for the purposes of the application of such Cash Settlement provisions.”

Section 9.9 of the Credit Derivatives Definitions is amended by deleting the last six lines of the fourth paragraph thereof, beginning with “and Seller will pay”.

Weighted Average Estimated Price:	With respect to a Reference Entity and a Delivery Date, the weighted average of the Calculation Agent’s estimate of the then-prevailing market bid-side prices (expressed as a percentage) determined on such Delivery Date or the immediately preceding Business Day for each Selected Obligation actually Delivered on such Delivery Date, weighted by reference to the Currency Amount of the outstanding principal balance of each such Selected Obligation.
Adjustment Amount:	With respect to a Reference Entity and a Delivery Date, an amount (which may be positive or negative) equal to the related Market Value Amount <u>minus</u> the related Estimated Amount.
Physical Settlement Period:	With respect to each Reference Entity, as specified in the Trading Terms Matrix for the relevant Region/Type
Final Delivery Date:	With respect to a Reference Entity and an Event Determination Date, the earlier to occur of: (a) the first date on which Buyer has Delivered all of the Selected Obligations each with an outstanding principal balance at least equal to the relevant outstanding principal balance specified in the relevant Notice of Physical Settlement; and

(b) the last Cut-Off Date (as defined below) for such Reference Entity and Event Determination Date.

With respect to a Reference Entity that is a CDS Amount Reference Entity, subject to Section 9.3 of the Credit Derivatives Definitions, on and after the Final Delivery Date Buyer and Seller shall have no further rights or obligations with respect to Delivery of Selected Obligations that remain undelivered or Sections 9.9 and 9.10 of the Credit Derivatives Definitions with respect to the relevant Event Determination Date, other than as provided in respect of the CDS Replacement Transaction (as described below).

With respect to a Reference Entity that is not a CDS Amount Reference Entity, subject to Section 9.3 of the Credit Derivatives Definitions, following the occurrence of a Cut-Off Date in respect of any Selected Obligation(s), Buyer and Seller shall have no further rights or obligations with respect to Delivery or Sections 9.9 and 9.10 of the Credit Derivatives Definitions in relation to such Selected Obligation(s).

Cut-Off Date:

Notwithstanding Section 1.7 of the Credit Derivatives Definitions or any provisions of Sections 9.9 or 9.10 of the Credit Derivatives Definitions to the contrary, but without prejudice to Section 9.3 of the Credit Derivatives Definitions, if Buyer has not Delivered to Seller Selected Obligation(s) in an amount equal to the outstanding principal balance of each Selected Obligation as specified in the relevant Notice of Physical Settlement on or prior to the date that is 60 Business Days following the relevant Physical Settlement Date, such 60th Business Day shall be deemed to be the Cut-Off Date with respect to the relevant Selected Obligation(s) (the "Affected Deliverable Obligation(s)") unless:

(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 Cut-Off Date for such

Affected Deliverable Obligation(s) shall be the third Business Day following the date on which such notice is effective; or

(b) Buyer has purchased but not Delivered on or prior to such 60th Business Day Selected Obligation(s) validly specified by Seller pursuant to Section 9.10(b) of the Credit Derivatives Definitions, in which case the Cut-Off Date in respect of such Selected Obligation(s) shall be the tenth Business Day following the date on which Seller validly specified such Selected Obligation(s) to Buyer.

Deliverable Obligations:

Exclude Accrued Interest

Deliverable Obligation(s):

With respect to each Reference Entity, in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Deliverable Obligation Category and the Deliverable Obligation Characteristic(s) specified in the Trading Terms Matrix for the relevant Region/Type

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

Terms Relating to Cash Settlement:

Valuation Date:

Single Valuation Date: In respect of each Delivery Date, the third Business Day after such Delivery Date.

Valuation Time:

11:00 a.m. in the principal trading market for the relevant Selected Obligation.

Quotation Method:

Bid

Quotation Amount:

With respect to any Selected Obligation, the outstanding principal balance of the Selected Obligation Delivered on the related Delivery

Date.

Dealers:

Each dealer (other than Buyer or any Affiliate of Buyer) in obligations of the type of Obligation(s) for which Quotations, Buy-in Offers or, if applicable, Offer Prices are to be obtained, selected by the Calculation Agent (or, in the case of Sections 7.7(b), 9.8(k)(ii) or 9.9 of the Credit Derivatives Definitions, the relevant party or Seller, as applicable) in good faith and in a commercially reasonable manner (without the requirement of consultation with the parties or the other party, as the case may be), provided that Seller will also be a Dealer and the Calculation Agent (or the relevant party, as applicable) will solicit Quotations and, if applicable, Offer Prices from Seller; provided that (a) any Quotation or Offer Price provided by Seller shall be deemed to be a firm quotation, (b) for the avoidance of doubt, Seller may take into account a variety of factors in providing the Quotation or Offer Price, including, without limitation, the existence of the Transaction, the Delivered Proportion and the Specified Delivery Amount and (c) Seller will not be a Dealer for purposes of determining the Final Price of any Undeliverable Obligation and for Section 9.9 of the Credit Derivatives Definitions.

Cash Settlement Date:

Each date that is three Business Days after a Calculation Date.

Cash Settlement Amount:

With respect to a Cash Settlement Date, the Incurred Loss Amount for the related Calculation Date.

Quotations:

Exclude Accrued Interest

Valuation Method:

Highest

Calculation Date:

(a) With respect to a Reference Entity and a Delivery Date, the Business Day on which the Final Price can first be determined in respect of all Selected Obligations Delivered on that Delivery Date, (b) with respect to a Reference Entity and a Buy-in Period in respect of which a Buy-in Price has been determined, the date on which Seller notifies Buyer of the Buy-in Price and (c) with respect to a Reference Entity in respect of which a Cut-Off Date

occurs, (i) if such Reference Entity is a CDS Amount Reference Entity, the date on which the CDS Amount in respect of such CDS Amount Reference Entity can be determined or (ii) if such Reference Entity is not a CDS Amount Reference Entity, the last Cut-Off Date for such Reference Entity and the related Event Determination Date. Where two or more of (a), (b) and/or (c) apply (or (a) or (b) apply more than once) to a single Reference Entity on a single day, such day shall be treated as two or more Calculation Dates, as the case may be, for such Reference Entity.

Calculations:

If any day is (a) a Calculation Date with respect to more than one Reference Entity, or (b) two or more, as the case may be, Calculation Dates with respect to a single Reference Entity, the Loss Amount, Recovery Amount, Aggregate Loss Amount, Aggregate Recovery Amount, Outstanding Swap Notional Amount, Incurred Loss Amount and Incurred Recovery Amount with respect to each Reference Entity shall be calculated in the order of delivery of the relevant Credit Event Notices or, if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order determined by the Calculation Agent.

For the avoidance of doubt, (i) with respect to the same Reference Entity, there may be more than one Calculation Date, Loss Amount, Recovery Amount, Incurred Loss Amount, Incurred Recovery Amount, Cash Settlement Amount and Cash Settlement Date and (ii) where the Currency Amount of the outstanding principal balance of any Selected Obligation actually Delivered on the relevant Delivery Date, plus the Currency Amount of the outstanding principal balance of any of the same Selected Obligation actually Delivered or deemed Delivered on any earlier date, exceeds the portion of the Specified Delivery Amount attributable to that Selected Obligation, the excess shall be ignored for the purposes of calculating the relevant Delivered Proportion, Quotation Amount, Weighted Average Final Price, Weighted Average Estimated Price and Delivered Portfolio.

Selected Obligation:	With respect to a Reference Entity, each Deliverable Obligation actually specified, or deemed specified pursuant to Section 9.10 of the Credit Derivatives Definitions, as applicable, in the related Notice of Physical Settlement.
Delivered Proportion:	With respect to a Reference Entity and a Calculation Date, the aggregate Currency Amount of the outstanding principal balance of each Selected Obligation actually Delivered on the Delivery Date related to that Calculation Date, or deemed Delivered pursuant to Sections 9.3 or 9.9 of the Credit Derivatives Definitions, as applicable, <u>divided by</u> the Specified Delivery Amount.
Specified Delivery Amount:	The aggregate Currency Amount of the outstanding principal balance of each Selected Obligation as specified in the related Notice of Physical Settlement.
Incurred Loss Amount:	<p>With respect to a Reference Entity and a Calculation Date, an amount, calculated on that Calculation Date, equal to the lowest of:</p> <ul style="list-style-type: none"> <li data-bbox="824 1050 1153 1081">(a) the Loss Amount; <li data-bbox="824 1123 1443 1291">(b) the Aggregate Loss Amount (including the related Loss Amount for that Reference Entity and Calculation Date) <u>minus</u> the Loss Threshold Amount (subject to a minimum of zero); and <li data-bbox="824 1323 1443 1459">(c) the Outstanding Swap Notional Amount (prior to any reduction thereto in respect of that Reference Entity and Calculation Date).
Loss Amount:	With respect to a Reference Entity and a Calculation Date, an amount calculated on that Calculation Date equal to (A) in the case of (a) or (b) of the definition of Calculation Date, (i) (100% <u>minus</u> the Weighted Average Final Price for that Reference Entity and Calculation Date) <u>multiplied by</u> (ii) the Reference Entity Notional Amount for that Reference Entity <u>multiplied by</u> (iii) the Delivered Proportion for that Reference Entity and Calculation Date (subject to a minimum of zero), (B) in the case of (c)(i) of the definition

of Calculation Date, the CDS Amount for that Reference Entity or (C) in the case of (c)(ii) of the definition of Calculation Date, zero.

Aggregate Loss Amount:

At any time on any day, the aggregate of all Loss Amounts calculated hereunder with respect to all Reference Entities.

Incurred Recovery Amount:

With respect to a Reference Entity and a Calculation Date, an amount, calculated on that Calculation Date, equal to the lowest of:

(a) the Recovery Amount;

(b) the Aggregate Recovery Amount (including the related Recovery Amount for that Reference Entity and Calculation Date) minus the Recovery Threshold Amount (subject to a minimum of zero); and

(c) the Outstanding Swap Notional Amount (prior to any reduction thereto in respect of that Reference Entity and Calculation Date).

Recovery Amount:

With respect to a Reference Entity and a Calculation Date, an amount calculated on that Calculation Date equal to (A) in the case of (a) or (b) of the definition of Calculation Date, (i) the lesser of 100% and the Weighted Average Final Price for that Reference Entity and Calculation Date multiplied by (ii) the Reference Entity Notional Amount for that Reference Entity multiplied by (iii) the Delivered Proportion for that Reference Entity and Calculation Date, (B) in the case of (c)(i) of the definition of Calculation Date, (i) the Replacement Transaction Notional Amount multiplied by the Reference Entity Notional Amount for that Reference Entity divided by the Specified Delivery Amount minus (ii) the CDS Amount or (C) in the case of (c)(ii) of the definition of Calculation Date, (i) the Reference Entity Notional Amount for that Reference Entity multiplied by (ii) the excess of 100% over the aggregate of the Delivered Proportions in respect of that Reference Entity on each preceding Calculation Date.

Aggregate Recovery Amount:

At any time on any day, the aggregate of all Recovery Amounts calculated hereunder with

respect to all Reference Entities.

Final Price:

Notwithstanding Section 7.4 of the Credit Derivatives Definitions, (a) with respect to each Selected Obligation Delivered on a Delivery Date, the price of such Selected Obligation, expressed as a percentage, determined in accordance with the applicable Valuation Method (treating such Selected Obligation as the Reference Obligation for such purpose and for purposes of other relevant provisions of Article VII or Section 9.8 of the Credit Derivatives Definitions, as applicable) and (b) with respect to each Selected Obligation in respect of which a Buy-in Price has been determined, such Buy-in Price plus any reasonable brokerage costs incurred by Seller in connection with the purchases by it of the Relevant Bonds as part of the buy-in (expressed as a percentage of the outstanding principal balance of the Relevant Bonds).

Weighted Average Final Price:

(a) With respect to a Calculation Date and a Delivery Date, the weighted average of the Final Prices determined for each Selected Obligation actually Delivered, or deemed Delivered pursuant to Section 9.3 of the Credit Derivatives Definitions, on such Delivery Date, weighted by reference to the Currency Amount of the outstanding principal balance of each such Selected Obligation actually Delivered or deemed Delivered, as appropriate, and (b) with respect to a Calculation Date and a Buy-in Period, the weighted average of the Final Prices determined for each Selected Obligation in respect of which a Buy-in Price has been determined during such Buy-in Period, weighted by reference to the Currency Amount of the outstanding principal balance of each such Selected Obligation in respect of which a Buy-in Price has been determined.

Aggregate Delivery Amount:

The aggregate Currency Amount of the outstanding principal balance of each Selected Obligation in the Delivered Portfolio.

Delivered Portfolio:

All Selected Obligations actually Delivered by Buyer to Seller, or deemed Delivered pursuant to Sections 9.3 or 9.9 of the Credit Derivatives Definitions, on or prior to the Final Delivery

Date.

CDS Amount:

With respect to a Reference Entity that is a CDS Amount Reference Entity, in the event that the Aggregate Delivery Amount is less than the Specified Delivery Amount, an amount determined by the Calculation Agent (the "CDS Amount") in accordance with the following:

(a) one Business Day following the Final Delivery Date, the Calculation Agent shall request at least five Dealers to each provide its firm offer price (each, an "Offer Price"), which shall be expressed as a single upfront payment in the Settlement Currency and less than or equal to the Replacement Transaction Notional Amount, for the entry into a transaction equivalent to the relevant CDS Replacement Transaction (except that the Seller is the buyer of credit protection) on that date;

(b) the Calculation Agent shall promptly notify the parties of the Dealers from which it has solicited Offer Prices and the Offer Prices, if any, provided by each such Dealer; and

(c) the CDS Amount shall be equal to the lowest Offer Price (or, if the Calculation Agent does not obtain at least one Offer Price, the Replacement Transaction Notional Amount) multiplied by the Reference Entity Notional Amount divided by the Specified Delivery Amount.

Seller and Buyer shall be deemed to have entered into the CDS Replacement Transaction on the date the CDS Amount is determined and, in consideration therefor, Buyer shall pay to Seller on the related Cash Settlement Date the lowest Offer Price (or, if the Calculation Agent does not obtain at least one Offer Price, the Replacement Transaction Notional Amount).

CDS Replacement Transaction:

A single name physically settled credit default swap transaction referencing the Reference Entity in respect of which the CDS Amount is being calculated and under which Buyer is the

buyer of credit protection, where:

(a) the Floating Rate Payer Calculation Amount is equal to the Specified Delivery Amount minus the Aggregate Delivery Amount (the "Replacement Transaction Notional Amount");

(b) all terms relevant to a single name physically settled credit default swap transaction (including, without limitation, the definitions of Deliverable Obligations and the Deliverable Obligation Characteristics) are identical to the terms specified herein;

(c) the Conditions to Settlement have been satisfied on exactly the same basis with respect to such Reference Entity under the CDS Replacement Transaction as they were for the Transaction; and

(d) Buyer has delivered, on the same date as delivered under the Transaction, a Notice of Physical Settlement specifying the Selected Obligations that remain undelivered as at the Final Delivery Date under the Transaction.

For the avoidance of doubt, the CDS Replacement Transaction shall not have a Final Delivery Date.

6. ADDITIONAL PROVISIONS

6.1 Disclaimers

- (a) Dow Jones[®] and CDX[™] are service marks of Dow Jones & Company, Inc. and the Index Sponsor, respectively, and have been licensed for use in connection with the 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 & Company, Inc. ("Dow Jones"), the Index Sponsor or any members of the Index Sponsor (Dow Jones, the Index Sponsor, together with its members, 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.

6.2 Credit Event Notice After Restructuring

Section 3.9 of the Credit Derivatives Definitions is deleted and replaced in its entirety by the following:

"Section 3.9 Credit Event Notice After Restructuring.

- (a) In the event that Restructuring is the only Credit Event specified in a Credit Event Notice, the Notifying Party shall specify the portion (an "Exercise Amount") of the Reference Entity Notional Amount in respect of which the Conditions to Settlement are being satisfied in such Credit Event Notice. Such Exercise Amount shall be determined in the sole discretion of the Notifying Party but shall be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units of the currency) in which the Reference Entity Notional Amount is denominated or an integral multiple thereof or the entire then outstanding Reference Entity Notional Amount. In no case may the Exercise Amount exceed the Reference Entity Notional Amount.
- (b) For the purposes of Paragraph 5 (Settlement Terms) above, the Reference Entity Notional Amount of the relevant Reference Entity shall be deemed to be the Exercise Amount.
- (c) In the event that the Conditions to Settlement are satisfied with respect to any Reference Entity and the Exercise Amount is less than the relevant Reference

Entity Notional Amount, that Reference Entity shall continue to be a Reference Entity for the purposes of the Transaction and:

- (i) shall have a Reference Entity Notional Amount equal to its Reference Entity Notional Amount immediately prior to the relevant Event Determination Date minus that Exercise Amount; and
- (ii) the Conditions to Settlement may be satisfied on one or more future occasions with respect to that Reference Entity (including without limitation, with respect to a Restructuring Credit Event in relation to which a Settlement Date has already occurred on one or more previous occasions), provided in each case that the Reference Entity Notional Amount of that Reference Entity prior to such satisfaction is greater than zero."

6.3 Merger of Reference Entity and Seller

Section 2.31 of the Credit Derivatives Definitions is deleted in its entirety for the purposes of the Transaction.

6.4 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.

6.5 Certain Duties of Calculation Agent

The Calculation Agent will inform the parties as soon as reasonably practicable following the determination thereof of the amount of (i) any Loss Amount or Recovery Amount in respect of a Reference Entity, irrespective of whether or not the Aggregate Loss Amount or Aggregate Recovery Amount, as applicable, is less than or equal to the Loss Threshold Amount or Recovery Threshold Amount, respectively, and (ii) any Incurred Loss Amount or Incurred Recovery Amount in respect of a Reference Entity.

6.6 Other Provisions

- (a) The "Additional Provisions for the Russian Federation: Obligation Characteristics and Deliverable Obligation Characteristics", published on August 13, 2004, are incorporated by reference herein and shall be applicable to the Russian Federation if it is a Reference Entity.
- (b) The "Additional Provisions for the Republic of Hungary: Obligation Characteristics and Deliverable Obligation Characteristics", published on February 14, 2005, are incorporated by reference herein and shall be applicable to the Republic of Hungary if it is a Reference Entity.