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To: ISDA Equity Committee and Equity Operations Working Group.
Date: 09.09.08

ISDA member equity market participants (listed below) convened at 9AM London time this morning by conference call to discuss the implications of yesterday's technical problems on the LSE, and a draft summary of the consensus reached was circulated for members' review. ISDA has received several comments from some of the call participants, and the summary below reflects both members' input on the call as well as input received after circulation of the draft summary.

The consensus amongst participating ISDA member firms on today's call appears to be as follows:

1. In respect of single share and index variance trades documented under the ISDA 2007 European Variance Swap Master Confirmation Agreement (under which there is no requirement that the Calculation Agent determine that the disruption is material as a condition to determining that a Market Disruption Event has occurred and under which Valuation Time is "hard-wired" as the Scheduled Closing Time), the consensus appears to be that yesterday's technical problems on the LSE did not constitute a Market Disruption Event in respect of UK shares and UK indices.
2. In respect of non-variance equity derivatives trades documented under a Confirmation (including by way of a Master Confirmation Agreement) incorporating the 1996 or 2002 ISDA Equity Derivatives Definitions, there was no consensus as to whether a Market Disruption Event had occurred, given the necessity for the Calculation Agent to determine whether or not the disruption caused by the technical problems on the LSE was material. Members have commented to ISDA that the technical problems on the LSE most likely constituted an Exchange Disruption that was continuing during the one hour period that ended at the Scheduled Closing time of the Exchange. It was therefore agreed by equity market participants on the call that each non-variance trade should be reviewed separately with the relevant determinations to be made by the Calculation Agent, in accordance with the documentation of the trade.
3. In respect of transactions (including variance) on shares traded on the International Order Book (IOB) and indices composed wholly or partly of shares traded on the IOB (the RDX index (all constituents) and BRIC index (20%+ of constituents traded on the IOB)) and any transaction (including variance) to which the Multiple Exchange Index Annex is applicable, the determination of whether the technical problems on the LSE would constitute a Market Disruption Event would need to be made in accordance with paragraph 2 above.
4. In respect of transactions referencing some South African shares and indices, the determination of whether the technical problems on the LSE would constitute a Market Disruption Event would need to be made in accordance with paragraph 2 above.

As with all market information and guidance that ISDA disseminates, parties are free to choose alternate means of addressing the event. Each member remains responsible for considering its own documentation and the specific terms of its own trades and forming its own conclusion on the proper interpretation of today's events.

The following firms participated in today's 9AM London time call:

ABN Amro
Bank of America
Barclays BNPP
Citigroup
Commerzbank
Credit Suisse
Deutsche Bank
Dresdner
Goldman Sachs
HBK
Investec
KBC
Landesbank Berlin
Lehman
Macquarie
Merrill Lynch
JP Morgan
Morgan Stanley
Rabobank
Royal Bank of Scotland
Societe Generale
Zurich Kantonal Bank

The following law firms also participated:

Allen & Overy,
Ashursts
Linklaters
Simmons & Simmons