

**CDX Legacy UNTRANCED TRANSACTIONS
SWAPTION STANDARD TERMS SUPPLEMENT**
(published on March 8, 2013)¹

This CDX Legacy Untranced Transactions Swaption Standard Terms Supplement (the “CDX Legacy Untranced Swaption Terms”) hereby incorporates by reference the definitions and provisions contained in the 2006 ISDA Definitions (as amended and supplemented through the Effective Date of the Index for the Underlying Swap Transaction (as defined in these CDX Legacy Untranced Swaption Terms), as set forth in the Relevant Index Annex for the Underlying Swap Transaction) (the “2006 Definitions”) and the ~~2003 ISDA Credit Derivatives Definitions as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003~~2014 ISDA Credit Derivatives Definitions (~~published on July 14, 2009~~) (~~together, the “~~the “2014 Credit Derivatives Definitions”), each as published by the International Swaps and Derivatives Association, Inc. Notwithstanding Section 19.1 of the 2006 Definitions, the relevant elections specified in the ISDA Settlement Matrix will not apply to any Swaption Transaction (as defined below). In the event of any inconsistency between the 2006 Definitions or the 2014 Credit Derivatives Definitions and these CDX Legacy Untranced Swaption Terms, these CDX Legacy Untranced Swaption Terms will govern. In the event of any inconsistency between the 2006 Definitions and the 2014 Credit Derivatives Definitions, the 2014 Credit Derivatives Definitions will govern in the case of the terms of the Underlying Swap Transaction, and the 2006 Definitions will govern in other cases. For the purposes of the 2006 Definitions, each reference therein to Buyer and to Seller shall be deemed to refer to “Swaption Buyer” and to “Swaption Seller”, respectively. A Swaption governed by these CDX Legacy Untranced Swaption Terms is referred to herein as a “Swaption Transaction”.

1. SWAPTION TERMS

Swaption Trade Date:	As shown in the relevant Confirmation.
Swaption Notional Amount:	The Original Notional Amount for the Underlying Swap Transaction, as shown in the relevant Confirmation.
Adjusted Swaption Notional Amount:	The Swaption Notional Amount <u>multiplied by</u> the aggregate of the Reference Entity Weightings (as defined in the Underlying Swap Transaction) in respect of each of the Reference Entities for the Underlying Swap Transaction.
Option Style:	European.

¹ The definitions and provisions of this CDX Legacy Untranced Transactions Swaption 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 CDX Legacy Untranced Transactions Swaption Standard Terms Supplement. All definitions and provisions so incorporated in a Confirmation will be applicable to that Confirmation unless otherwise provided in that Confirmation.

Index:	As shown in the relevant Confirmation.
Swaption Seller:	As shown in the relevant Confirmation.
Swaption Buyer:	As shown in the relevant Confirmation.
Option Type:	As shown in the relevant Confirmation.
Underlying Buyer:	If the Option Type is “Payer”, the Swaption Buyer; if the Option Type is “Receiver”, the Swaption Seller.
Underlying Seller:	If the Option Type is “Payer”, the Swaption Seller; if the Option Type is “Receiver”, the Swaption Buyer.
Quoting Style:	As shown in the relevant Confirmation.
Strike Price:	As shown in the relevant Confirmation.
Premium:	As shown in the relevant Confirmation.
Premium Payment Date:	The date that is three Business Days for Payment following the Swaption Trade Date.
Business Days for Payment:	New York and London.
Exercise Business Days:	New York and London.
Swaption Calculation Agent:	The Calculation Agent for the Underlying Swap Transaction, as shown in the relevant Confirmation.

2. PROCEDURE FOR EXERCISE

Expiration Date:	As shown in the relevant Confirmation or, if that date is not an Exercise Business Day, the next following day that is an Exercise Business Day.
Earliest Exercise Time:	9:00 a.m. New York City time.
Expiration Time:	11:00 a.m. New York City time.
Partial Exercise:	Applicable.
Minimum Notional Amount:	One unit of the Settlement Currency for the Underlying Swap Transaction.
Integral Multiple:	One unit of the Settlement Currency for the

Underlying Swap Transaction.

Automatic Exercise: ~~Not~~ Not Applicable.

Fallback Exercise: ~~Not~~ Not Applicable.

Written Confirmation of Telephonic Notice of Exercise: The parties agree that the written confirmation referred to in Section 13.2 of the 2006 Definitions includes transmission through an electronic messaging system or by e-mail.

3. SETTLEMENT TERMS

Settlement: Physical. In the event that Swaption Buyer effectively exercises the Swaption Transaction, then, subject to "Clearing of Underlying Swap Transaction" below:

(a) Swaption Buyer and Swaption Seller shall be deemed to have entered into a Master Transaction (as defined in the Applicable Underlying Document identified as provided below), having the terms described in "Summary of Terms" below (the "Underlying Swap Transaction");

(b) as soon as reasonably practicable following the Expiration Time on the Expiration Date, the Swaption Calculation Agent shall determine the Settlement Payment and, not later than one Exercise Business Day following the Expiration Date, the Swaption Calculation Agent shall notify Swaption Buyer and Swaption Seller of the amount thereof (which notification may be given orally, including by telephone); and

(c) not later than the third Business Day for Payment following the Expiration Date, (i) if the Settlement Payment is a positive number, the Underlying Buyer shall pay the Settlement Payment to the Underlying Seller or (ii) if the Settlement Payment is a negative number, the Underlying Seller shall pay the absolute value of the Settlement Payment to the Underlying Buyer.

Settlement Payment: An amount (which may be positive or negative), in the Settlement Currency of the Underlying Swap Transaction, determined by

the Swaption Calculation Agent and equal to the Strike Adjustment Amount minus the Accrued Amount.

Strike Adjustment Amount:

If the Quoting Style is "Spread," the present value, as of the Expiration Date, of a stream of payments equal to (a) (i) the Strike Price minus (ii) the Fixed Rate for the Underlying Swap Transaction multiplied by (b) the Adjusted Swaption Notional Amount multiplied by (c) the Partial Exercise Factor, calculated in accordance with the following assumptions:

(a) such payments are made with the same frequency, on the same basis, on the same dates and for the same term as the Fixed Amounts payable with respect to the Underlying Swap Transaction, except that the initial Fixed Rate Payer Calculation Period shall commence on and include the calendar day immediately following the Expiration Date;

(b) such payments are discounted by the Swaption Calculation Agent in a commercially reasonable manner to reflect the credit-contingent nature of payment of such Fixed Amounts, using the "V" (ISDA Valuation) Model Calculator available through Bloomberg page CDSW (or any successor page thereto as determined by the Swaption Calculation Agent); and

(c) calculations are to be made assuming (i) a single "Deal Spread" equal to the Fixed Rate for the Underlying Swap Transaction, (ii) a "Par Cds Spread" equal to the Strike Price with "Flat" selected as applicable, (iii) a "Curve Date" equal to the Expiration Date and a "Settlement Date" equal to the calendar day immediately following the Expiration Date, (iv) a "Benchmark Swap Curve" of US "ISDA Standard Rate Crv" "S260" "M" (for mid) and (v) a recovery rate following all Credit Events equal to the Assumed Recovery.

If the Quoting Style is "Price," an amount equal to (a)(i) the Par Amount minus (ii) the Strike Price multiplied by (b) the Adjusted Swaption Notional Amount multiplied by (c) the Partial Exercise Factor. "Par Amount" means 100%.

Partial Exercise Factor: (a) if the entire Swaption Notional Amount is exercised, one; or

(b) if only a portion of the Swaption Notional Amount is exercised, the fraction obtained by dividing the exercised Swaption Notional Amount by the entire Swaption Notional Amount.

Accrued Amount: An amount equal to:

(a) if the calendar day immediately following the Expiration Date falls on a day that is a Fixed Rate Payer Payment Date (as defined in and taking into account the Business Day Convention under the Underlying Swap Transaction), zero; and

(b) if the calendar day immediately following the Expiration Date falls on a day that is not such a Fixed Rate Payer Payment Date, (i) the Fixed Rate for the Underlying Swap Transaction multiplied by (ii) the Adjusted Swaption Notional Amount multiplied by (iii) the Partial Exercise Factor multiplied by (iv) the actual number of days in the period from, and including, the later of the Effective Date of the Underlying Swap Transaction and the Fixed Rate Payer Payment Date (determined taking into account the Business Day Convention) falling immediately prior to the calendar day immediately following the Expiration Date to, and including, the Expiration Date divided by (v) 360.

Assumed Recovery: 40%; provided that, if the relevant Underlying Swap Transaction relates to the Markit CDX.NA.HY index or a sub-index of such index, the Assumed Recovery will be 30%.

Clearing of Underlying Swap Transaction: In the event that Swaption Buyer effectively exercises the Swaption Transaction and Swaption Buyer and Swaption Seller have specified a Specified Derivatives Clearing Organization in the relevant Confirmation, Swaption Buyer and Swaption Seller agree to clear such Underlying Swap Transaction at the Specified Derivatives Clearing Organization, and such Underlying Swap Transaction shall be subject to the Cleared Derivatives Execution

Agreement (if any) in effect between Swaption Buyer and Swaption Seller at the time of such exercise.

Specified Derivatives Clearing Organization: As shown in the relevant Confirmation.

Cleared Derivatives Execution Agreement: An FIA-ISDA Cleared Derivatives Execution Agreement, or other similar agreement governing the execution of derivatives transactions that are intended to be cleared.

4. UNDERLYING SWAP TRANSACTION TERMS

Summary of Terms: The terms for the Underlying Swap Transaction, as shown in the relevant Confirmation, together with the Applicable Underlying Document, and any other documents referred to therein, evidence the full terms of the Underlying Swap Transaction; provided that, if the Swaption Transaction is exercised only in part, the Original Notional Amount of the Underlying Swap Transaction shall equal the portion of the Swaption Notional Amount that is exercised.

~~Applicable Underlying Document: In the relevant Confirmation, the parties shall specify whether the Applicable Underlying Document is "Standard Terms Supplement" or "Master Confirmation Agreement"; provided that, if the parties do not so specify an Applicable Underlying Document, they shall be deemed to have specified Standard Terms Supplement.~~

~~Standard Terms Supplement~~ Applicable Underlying Document: If "Standard Terms Supplement" is specified in the relevant Confirmation, the ~~CDX~~ The CDX Legacy Untranchured Transactions Standard Terms Supplement, as published by Markit North America, Inc. ~~(formerly known as CDS IndexCo LLC)~~ as of the Standard Terms Date specified in the relevant Confirmation (or, if a Standard Terms Date is not specified, the most recent CDX Legacy Untranchured Transactions Standard Terms Supplement published by Markit North America, Inc. prior to the Swaption Trade Date).

~~Master Confirmation Agreement: If "Master Confirmation Agreement" is specified in the relevant Confirmation, the Dow Jones~~

~~CDX or CDX Master Credit Derivatives Confirmation Agreement between the parties, dated as of the date specified as the Master Confirmation Date in the relevant Confirmation (or, if a Master Confirmation Date is not specified, the most recent Dow Jones CDX or CDX Master Credit Derivatives Confirmation Agreement entered into between the parties prior to the Swaption Trade Date), as amended and supplemented from time to time.~~

5. ADDITIONAL PROVISIONS

5.1 Disclaimers

- (a) Markit CDX™ is a service mark of ~~Markit North America, Inc.~~ the Index Sponsor (as defined in the Underlying Swap Transaction) and has been licensed for use in connection with the Swaption Transaction. Dow Jones® is a service mark of Dow Jones & Company, Inc. (“Dow Jones”) and, with respect to a Swaption Transaction relating to an Index with an Effective Date prior to March 20, 2007 (a “Prior Index Swaption Transaction”), has been licensed for use in connection with the Swaption Transaction.
- (b) The Index referenced herein is the property of ~~Markit North America, Inc.~~ 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, ~~Markit North America, Inc.~~ the Index Sponsor or any participants under ~~Markit North America, Inc.’s~~ the Index Sponsor’s rules governing the Index (~~Markit North America, Inc.~~ the Index Sponsor, together with such participants and, with respect to any Prior Index Swaption 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 Swaption 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 Swaption 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 ~~9.4~~11.1(b)(iii) and (iv) of the 2014 Credit Derivatives Definitions, references to “each party” therein shall be deemed to include each Index Party.

5.2 Operation of Underlying Swap Transaction

Each of Swaption Buyer and Swaption Seller acknowledge and agree that:

- (a) the Underlying Seller is subject to the risk of any Credit Event occurring with respect to a Reference Entity on or after the earliest Credit Event Backstop Date that would be determined in respect of the Underlying Swap Transaction if the Trade Date of the Underlying Swap Transaction were the Swaption Trade Date, irrespective of whether such Credit Event Backstop Date precedes the Swaption Trade Date, but only if Swaption Buyer effectively exercises the Swaption Transaction;
- (b) subject to Paragraph 5.5 of these CDX Legacy Untranching Swaption Terms, a Notifying Party may deliver Credit Event Notices, Notices of Publicly Available Information and Successor Notices or Succession Event Notices, as applicable, in accordance with the terms of the Underlying Swap Transaction on or prior to the Expiration Date; provided that, if Swaption Buyer does not effectively exercise the Swaption Transaction, any such notice will be ineffective;
- (c) the Buyer in respect of the Underlying Swap Transaction may not deliver a Notice of Physical Settlement prior to the Expiration Date; and
- (d) if Swaption Buyer effectively exercises the Swaption Transaction, one or more Event Determination Dates may have already occurred in accordance with the terms of the Underlying Swap Transaction.

If Swaption Buyer effectively exercises the Swaption Transaction, then (a) for purposes of determining whether an Event Determination Date occurs, or has occurred, pursuant to Section 1.16(a)(ii) of the 2014 Credit Derivatives Definitions (in the case of a 2014 Definitions Transaction) or Section 1.8(a)(ii)(A) of the 2003 Credit Derivatives Definitions (in the case of a 2003 Definitions Transaction) in respect of the Underlying Swap Transaction, the Trade Date of the Underlying Swap Transaction shall be deemed to be the Swaption Trade Date, (b) for purposes of application of the Settlement Method or the Fallback Settlement Method, as applicable, the Auction Settlement Date, No Auction Announcement Date or Auction Cancellation Date, if any,

for any such Event Determination Date shall be deemed to be the later of (i) the Auction Settlement Date, No Auction Announcement Date or Auction Cancellation Date, as applicable, that would be determined in accordance with Section [6.3](#), [Section 6.11](#) or [Section 6.12](#), respectively, of the [2014 Credit Derivatives Definitions \(in the case of a 2014 Definitions Transaction\)](#) or [Section 12.3](#), [Section 12.12](#) or [Section 12.13](#), respectively, of the [2003 Credit Derivatives Definitions \(in the case of a 2003 Definitions Transaction\)](#) and (ii) the third Business Day following the Expiration Date and (c) for purposes of application of the Fallback Settlement Method following an Event Determination Date pursuant to [Section 1.16\(a\)\(i\) of the 2014 Credit Derivatives Definitions \(in the case of a 2014 Definitions Transaction\)](#) or [Section 1.8\(a\)\(i\) of the 2003 Credit Derivatives Definitions \(in the case of a 2003 Definitions Transaction\)](#) in respect of the Underlying Swap Transaction, [the NOPS Cut-off Date \(in the case of a 2014 Definitions Transaction\)](#) or the last date on which delivery of a Notice of Physical Settlement may be effective to satisfy the Notice of Physical Settlement Condition to Settlement under [Section 3.2\(c\) of the 2003 Credit Derivatives Definitions \(in the case of a 2003 Definitions Transaction\)](#) shall be deemed to be the later of (i) the date that would be determined in accordance with [Section 8.10 of the 2014 Credit Derivatives Definitions \(in the case of a 2014 Definitions Transaction\)](#) or [Section 3.2\(c\)\(i\) of the 2003 Credit Derivatives Definitions \(in the case of a 2003 Definitions Transaction\)](#) and (ii) the third Business Day following the Expiration Date.

5.3 Merger of Reference Entity and Seller

Section ~~2.34~~[11.4](#) of the [2014](#) Credit Derivatives Definitions shall not apply to the Swaption Transaction.

5.4 Additional Representation

Section ~~9.4~~[11.1](#) of the [2014](#) Credit Derivatives Definitions is incorporated into these CDX [Legacy](#) Untranchéd Swaption Terms and, for purposes of such Section, all references to a “Credit Derivative Transaction” shall refer to the Swaption Transaction, all references to “Buyer” are replaced with “Swaption Buyer” and all references to “Seller” are replaced with “Swaption Seller”.

5.5 Restriction on Delivery of Credit Event Notice, [Successor Notice](#) and Succession Event Notice

Notwithstanding anything to the contrary in the [2014](#) Credit Derivatives Definitions, [the 2003 Credit Derivatives Definitions \(as defined in the Applicable Underlying Document\)](#) or these CDX [Legacy](#) Untranchéd Swaption Terms, neither Buyer nor Seller may deliver a Credit Event Notice, [a Successor Notice](#) or a Succession Event Notice [\(as defined in the 2003 Credit Derivatives Definitions\)](#) unless a notice has previously been delivered to ~~ISDA~~[the DC Secretary](#) in accordance with the [DC](#) Rules requesting that the relevant Credit Derivatives Determinations Committee be convened to Resolve ~~the matters described in Section 1.24(a) and (b) of the DC Credit Event Question (or equivalent under the 2003 Credit Derivatives Definitions)~~ or [Section 2.2\(j\)\(i\) and \(ii\) of the Credit Derivatives Definitions](#) ~~one or more Successors to the relevant Reference Entity~~, as applicable, with respect to the facts described in such Credit Event Notice, [Successor Notice](#) or Succession Event Notice [\(as defined in the 2003 Credit Derivatives Definitions\)](#), as applicable, and ~~ISDA~~[either \(a\) a DC Credit Event Question Dismissal \(or equivalent under the 2003 Credit Derivatives Definitions\)](#)

has occurred, (b) the DC Secretary has publicly announced that ~~either (a)~~ the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination such matters or ~~(b)~~ the DC Secretary has publicly announced that the conditions to convening the relevant Credit Derivatives Determinations Committee to Resolve such matters have not been satisfied in accordance with the DC Rules. Any Credit Event Notice, Successor Notice or Succession Event Notice (as defined in the 2003 Credit Derivatives Definitions) delivered in breach of the requirements in this Paragraph shall be deemed not to have been delivered.

Summary report:	
Litéra® Change-Pro TDC 7.5.0.60 Document comparison done on 8/20/2014 5:22:05 PM	
Style name: Strikethrough Show Moves	
Intelligent Table Comparison: Active	
Original DMS: iw://NYWORKSITE/NEWYORK/2932879/1	
Modified DMS: iw://NYWORKSITE/NEWYORK/2932879/8	
Changes:	
Add	98
Delete	25
Move From	0
Move To	0
Table Insert	3
Table Delete	4
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format Changes	0
Total Changes:	130