Additional Provisions for a Secured Deliverable Obligation Characteristic[1]
(published on June 16, 2006)

Additional Provisions:

(a)   Buyer and Seller agree that notwithstanding the foregoing, Deliverable Obligation Characteristics shall also include "Secured", and "Secured" is deemed to be specified as applicable.

(b)   **Secured.** "Secured" means~~, as of the Delivery Date,~~ secured by a security interest, and entitled to receipt of the application of any proceeds realized following enforcement of such security interest, in each case having a priority or ranking at least equal to that of the Reference Obligation on assets that include at least all of the assets that secure the Reference Obligation ~~as of the Delivery Date~~.

        For the purposes of determining whether a Deliverable Obligation is Secured hereunder, the existence of preferred creditors arising by operation of law shall not be taken into account.

(c)   **Substitute Reference Obligation.** Notwithstanding anything to the contrary in Section 2.~~3~~10:

        (i)   The Calculation Agent shall have no obligation to identify a Substitute Reference Obligation unless and until Buyer or Seller requests the identification of a Substitute Reference Obligation (a Credit Event Notice being deemed to be a request from the Notifying Party).

        (ii)   If, following ~~an event described in Section 2.30(a)~~a Substitution Event, a Substitute Reference Obligation is to be identified by the Calculation Agent, in addition to the requirements set out in Section 2.~~3~~10, any

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[1]   The "Additional Provisions for a Secured Deliverable Obligation Characteristic", published on June 16, 2006, (the "Secured Deliverable Obligation Characteristic Provisions") may be incorporated into a relevant confirmation (including in electronic form) by wording in the document indicating that the Secured Deliverable Obligation Characteristic Provisions, published on June 16, 2006, are so incorporated by reference therein.

        "Substitution Failure Termination Date" is not an election included in the confirmation template set forth in Exhibit A to the 2003 Definitions. In order to specify "Substitution Failure Termination Date" as applicable the parties must add the election to a relevant confirmation.

        The Secured Deliverable Obligation Characteristic Provisions are intended for credit default swap transactions where the Reference Entity is a high yield credit. At the time of publication, market participants viewed the Secured Deliverable Obligation Characteristic Provisions as primarily relevant in a context where the Reference Obligation(s) is a secured bond. The document is not intended to be used in trades where there is a wrap issued by a monoline insurance company.

Substitute Reference Obligation shall be an Obligation that is secured by a security interest, and entitled to receipt of the application of any proceeds realized following enforcement of such security interest, in each case having a priority or ranking at least equal to that which would have applied to the Reference Obligation on assets that include at least all of the assets that would have continued to secure the Reference Obligation, in each case but for the occurrence of such event.

(iii) If the Calculation Agent is unable to identify an Obligation that is so secured, then:

(A) unless "Substitution Failure Termination Date"[2] is specified as "Applicable" in the related Confirmation, the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation in accordance with Section 2.~~3~~10 (as modified herein) ~~until the latest of the Scheduled Termination Date or the Grace Period Extension Date~~; or

(B) if "Substitution Failure Termination Date" is specified as "Applicable" in the related Confirmation, the Calculation Agent shall, as soon as reasonably practicable, notify the parties that it is unable to identify a Substitute Reference Obligation that is so secured if it has not made such an identification within 30 Business Days following the date Buyer or Seller requested the identification of a Substitute Reference Obligation. Upon such notification, Buyer may elect to terminate the relevant Transaction in whole but not in part on any Business Day up to 30 Business Days following the date of the notification by the Calculation Agent that it was unable to identify a Substitute Reference Obligation that was so secured (such date elected by Buyer, the "Substitution Failure Termination Date"). Each of the Termination Date and the Scheduled Termination Date of the relevant Transaction shall be deemed to be the Substitution Failure Termination Date, the Substitution Failure Termination Date shall be the final Fixed Rate Payer Payment Date, and thereafter Seller and Buyer shall cease to have any additional rights or obligations under such Transaction. No termination payments shall be payable by either party thereunder in respect of such Transaction as a result of the election of such Substitution Failure Termination Date.

(iv) If the security interest that secures a Reference Obligation has been released pursuant to its terms, then the Deliverable Obligation Characteristic "Secured" shall no longer apply.

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[2] See footnote 1

(d)   **Interpretation of Provisions.**

(i)   If the Deliverable Obligation Characteristic "Secured" is specified in the related Confirmation, the Confirmation shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds or Loans and shall only be relevant if Bonds or Loans are covered by the selected Deliverable Obligation Category.

(ii)   In the event that a Deliverable Obligation is a Qualifying Guarantee, then, for purposes of the application of the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Deliverable Obligation Characteristic of Secured.

Comparison Details	
Title	**pdfDocs compareDocs Comparison Results**
Date & Time	20/08/2014 12:20:13
Comparison Time	2.64 seconds
compareDocs version	v3.4.11.53

Sources	
Original Document	[#19899491] [v1] Additional_Provisions_for_Secured_Deliverable_Obligation_Characteristics
Modified Document	[#19899491] [v4] Additional_Provisions_for_Secured_Deliverable_Obligation_Characteristics

Comparison Statistics	
Insertions	0
Deletions	3
Changes	6
Moves	0
TOTAL CHANGES	9

Word Rendering Set Markup Options	
Name	Standard
Insertions	
Deletions	
Moves / Moves	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	Color only.
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Formatting
Character Level	Word	True
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Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
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Include Field Codes	Word	True
Include Moves	Word	True
Show Track Changes Toolbar	Word	False
Show Reviewing Pane	Word	False
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True