

**LOAN SETTLEMENT ANNEX**  
**(March 2, 2011 version)**

This Loan Settlement Annex (this **Loan Settlement Annex**), if specified as an Additional Annex in a Confirmation, shall be deemed to amend, supplement and form part of the most recent version of the Global Tranching Transactions Standard Terms Supplement as published by the International Swaps and Derivatives Association, Inc. on or prior to the Trade Date of the relevant Transaction (the **Standard Terms Supplement**) for purposes of the relevant Transaction. Capitalised terms used but not defined in this Loan Settlement Annex shall have the meaning given to such terms in the Standard Terms Supplement or the relevant Confirmation. In the event of any inconsistency between the Standard Terms Supplement and this Loan Settlement Annex, this Loan Settlement Annex will govern. In the event of any inconsistency between this Loan Settlement Annex and the relevant Confirmation, the relevant Confirmation will govern.

The following provision shall be inserted as Paragraph 6.1~~53~~ (Cash Settlement of Loans) of the Standard Terms Supplement:

**"6.1~~53~~ Cash Settlement of Loans**

In the event that the Fallback Settlement Method applies with respect to a Reference Entity in accordance with Section ~~12.1-6.1~~ of the Credit Derivatives Definitions and Buyer delivers a Deemed Delivery Notice in relation to any Deliverable Obligation specified in the related Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, that is a Loan (other than any Loan which (i) is a Prior Deliverable Obligation which Buyer has notified Seller it intends to Deliver an Asset Package in lieu thereof or (ii) forms part of an Asset Package which Buyer has notified Seller it intends to Deliver):

- (a) Buyer shall be deemed to have Delivered such Loan to Seller in an ~~e~~Outstanding ~~p~~Principal ~~b~~Balance the Currency Amount of which is equal to the Specified Delivery Amount of such Loan (as reduced pursuant to Section 9.~~408~~ of the Credit Derivatives Definitions if applicable);
- (b) the Delivery Date with respect to such Delivery shall be deemed to be the date that the Deemed Delivery Notice was effective;
- (c) Seller will have no obligation to pay the related Estimated Amount, if any, on the related Delivery Date or the related Market Value Amount, if any, on the related Cash Settlement Date and neither Buyer nor Seller will have any obligation to pay the related Adjustment Amount, if any, on the related Cash Settlement Date;
- (d) Buyer and Seller shall comply with the provisions of Paragraph 5 (Settlement Terms) that pertain to the Fallback Settlement Method on the basis of such deemed Delivery and Seller shall pay the related Cash Settlement Amount, if any, to Buyer on the related Cash Settlement Date;
- (e) for the purposes of Cash Settlement with respect to such Loan, (a) Quotations shall be determined in accordance with the definition below and (b) notwithstanding any other provision of this Standard Terms Supplement, Seller shall not be a Dealer and shall not be permitted to provide a Quotation for the purposes of determining the Final Price; and
- (f) in the definitions of "Weighted Average Final Price", "Delivered Proportion" and (if applicable) "Delivered Portfolio", the words "or pursuant to the terms of Paragraph 6.1~~53~~ (Cash Settlement of Loans)" shall be deemed to be added immediately after the words "Credit Derivatives Definitions".

For the purposes of this Paragraph 6.1~~53~~ (Cash Settlement of Loans) only:

**Deemed Delivery Notice** means a notice delivered by Buyer to Seller on or before the Cut-off Date that:

- (a) in the case of a Loan that requires the consent of one or more parties to effect transfer to Seller, specifies that Buyer has (i) requested the relevant parties to provide such consent and (ii) such consent was actually refused, or was not provided within 5 Business Days of the request and has not been subsequently obtained at the date the Deemed Delivery Notice was delivered; or
- (b) in the case of a Loan which does not by its terms provide for transfer to entities of a type similar to Seller (whether with or without consent) but which does provide for transfer to entities of a type similar to banks, specifies the relevant transfer provision in the Loan evidencing the foregoing.

Deemed Delivery Notices shall be subject to the requirements of Section 1.4038 of the Credit Derivatives Definitions.

**Quotation** means any Full Quotation, any Weighted Average Quotation or the weighted average of any firm quotations obtained and expressed as a percentage with respect to the Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to the Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of the Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifteenth Business Day following the Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within fifteen Business Days of the Valuation Date, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation to determine the Final Price in accordance with the Valuation Method. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Valuation Date, the Final Price shall be determined by the Calculation Agent in accordance with the Valuation Method by reference to (i) any Full Quotation obtained from a Dealer at the Valuation Time on such fifteenth Business Day or (ii) if no Full Quotation is obtained, the weighted average of any firm quotations for the Loan obtained from Dealers at the Valuation Time on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such firm quotations were obtained, with a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (c) Such Quotations shall ~~not include accrued but unpaid interest.~~ be determined as if "Exclude Accrued Interest" were specified in the related Confirmation.
- ~~(d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance (as defined in Section 8.7(a)(i) of the Credit Derivatives Definitions) for purposes of determining the Final Price."~~

Comparison Details	
Title	<b>pdfDocs compareDocs Comparison Results</b>
Date & Time	20/08/2014 12:23:11
Comparison Time	2.81 seconds
compareDocs version	v3.4.11.53

Sources	
Original Document	[#19899497] [v1] Global Tranchd Transactions - Loan Settlement Annex
Modified Document	[#19899497] [v5] Global Tranchd Transactions - Loan Settlement Annex

Comparison Statistics	
Insertions	3
Deletions	2
Changes	10
Moves	0
TOTAL CHANGES	15

Word Rendering Set Markup Options	
Name	Standard
<u>Insertions</u>	
<del>Deletions</del>	
<u>Moves</u> / 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
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
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