



International Swaps and Derivatives Association, Inc.

REVISED 2005 DELPHI CDS INDEX PROTOCOL

published on 28th October, 2005

by the International Swaps and Derivatives Association, Inc.

The International Swaps and Derivatives Association, Inc. ("**ISDA**") has published this Revised 2005 Delphi CDS Index Protocol (this "**Protocol**"), to enable parties to Covered Index Transactions to confirm their intentions in respect of certain matters arising in relation to Delphi Corporation ("**Delphi**").

Accordingly, a party that has entered and/or anticipates entering into a Covered Index Transaction may adhere to this Protocol and be bound by its terms by completing and delivering a letter substantially in the form of Exhibit 1 to this Protocol (an "**Adherence Letter**") to ISDA, as agent, as described below.

1. Amendments

(a) By adhering to this Protocol in the manner set forth in Section 2 below, a party (an "**Adhering Party**") that has entered and/or anticipates entering into a Covered Index Transaction agrees, in each case on the terms and subject to the conditions set forth in this Protocol and the relevant Adherence Letter, that certain amendments will be deemed to be made to the Index Documentation governing each Covered Index Transaction between it and any other Adhering Party.

(b) The amendments and agreements provided for in this Protocol are set forth in Schedule 1.

(c) An Adhering Party (i) who has also adhered to the 2005 Delphi CDS Index Protocol published by ISDA on 27th October, 2005 (the "**Original Protocol**", and such Adhering Party, an "**Original Protocol Adhering Party**") and (ii) who also has entered and/or anticipates entering into a Covered Index Transaction with any other Original Protocol Adhering Party, agrees, in each case on the terms and subject to the conditions set forth in this Protocol and the relevant Adherence Letter, that those certain amendments deemed made to the Index Documentation governing each Covered Index Transaction between it and such other Original Protocol Adhering Party by virtue of such parties' adherence to the Original Protocol will be rescinded and replaced by those certain amendments agreed to in paragraph (a) of this Section 1.

2. Adherence and Effectiveness

(a) Adherence to this Protocol will be evidenced by the execution and delivery, in accordance with the first sentence of Section 5(f) below, to ISDA, as agent, of an Adherence Letter on or before 2nd November, 2005 (the "**Cut-off Date**").

(i) Each Adhering Party will deliver two copies of the Adherence Letter, one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory.

(ii) Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of an Adherence Letter certified by the General Counsel or an appropriate officer of ISDA will be deemed to be an original.

(b) The agreement to make the amendments contemplated by this Protocol, on the terms and subject to the conditions set forth in this Protocol, will, as between any two Adhering Parties, be effective on receipt by ISDA, as agent, of an Adherence Letter from the later of the Adhering Parties to adhere. Any such amendments will apply to each Covered Index Transaction between the Adhering Parties (whether entered into before, on or after the Cut-off Date).

(c) This Protocol is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Covered Index Transaction that the parties may otherwise effect in accordance with the terms of that Covered Index Transaction and the Governing ISDA Master Agreement.

(i) In adhering to this Protocol, an Adhering Party may not specify additional provisions, conditions or limitations in its Adherence Letter or otherwise.

(ii) Any purported adherence that ISDA, as agent, determines in good faith is not in compliance with this Section will be void.

3. Representations

Each Adhering Party represents to each other Adhering Party with which it has or may have a Covered Index Transaction, on the date on which the later of them adheres to this Protocol in accordance with Section 2 above and, if then outstanding, in respect of each Covered Index Transaction between them, that:

(a) **Status.** It (i) is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, (ii) if it otherwise represents its status in or pursuant to the Governing ISDA Master Agreement, has such status;

(b) **Powers.** It has the power to execute and deliver the Adherence Letter and to perform its obligations under the Adherence Letter and each Covered Index Transaction, in each case as amended by the Adherence Letter and this Protocol, and has taken all necessary action to authorize such execution, delivery and performance;

(c) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to the Adherence Letter and each Covered Index Transaction, in each case as amended by the Adherence Letter and this Protocol, have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) **Obligations Binding.** Its obligations under the Adherence Letter and each Covered Index Transaction, in each case as amended by the Adherence Letter and this Protocol, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); and

(f) **Credit Support.** Its adherence to this Protocol and any amendment contemplated by this Protocol will not, in and of itself, adversely affect any obligations owed, whether by it or by any third party, under any Credit Support Document relating to a Covered Index Transaction.

Each Adhering Party agrees with each other Adhering Party with which it has or may have a Governing ISDA Master Agreement that each of the foregoing representations will be deemed to be a representation for purposes of Section 5(a)(iv) of each such Governing ISDA Master Agreement (then or in the future) between them.

4. Evidence of Capacity and Authority

Each Adhering Party may deliver to ISDA, as agent, such evidence as it deems appropriate to evidence its capacity to adhere to this Protocol and the authority of anyone signing on its behalf.

5. Miscellaneous

(a) Entire Agreement; Restatement; Survival.

(i) This Protocol constitutes the entire agreement and understanding of the Adhering Parties with respect to its subject matter. Each Adhering Party acknowledges that in adhering to this Protocol it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in Schedule 1 or elsewhere in this Protocol) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Protocol will limit or exclude any liability of an Adhering Party for fraud.

(ii) Except for any amendment deemed to be made pursuant to this Protocol in respect of a Covered Index Transaction, all terms and conditions of each Covered Index Transaction will continue in full force and effect in accordance with its provisions on the effective date of that amendment. As used in the Index Documentation governing each Covered Index Transaction, the terms "**Transaction**", "**this Transaction**", "**Confirmation**", "**this Confirmation**" and words of similar import will, unless the context otherwise requires, mean the Covered Index Transaction and related Confirmation as amended pursuant to this Protocol in accordance with the relevant Adherence Letters. This Protocol will, with respect to its subject matter, survive, and any amendments deemed to be made pursuant to it will form a part of, each Covered Index Transaction between the Adhering Parties notwithstanding Section 9(a) of the Governing ISDA Master Agreement.

(b) **Amendments.** An amendment, modification or waiver in respect of the matters contemplated by this Protocol will only be effective if made in accordance with the terms of the Governing ISDA Master Agreement and then only with effect between the parties to that Governing ISDA Master Agreement (and will only be effective to amend or override the provisions contained in Schedule 1 to this Protocol if it expressly refers in writing to this Section 5(b) of this Protocol and would otherwise be effective in accordance with Section 9(b) of the Governing ISDA Master Agreement).

(c) **Limited Right to Revoke.** Adherence to this Protocol is irrevocable except that an Adhering Party may, by subsequently delivering to ISDA, as agent, in accordance with the first sentence of Section 5(f) below a notice substantially in the form of Exhibit 2 to this Protocol (a "**Revocation Notice**"), designate a date (an "**Earlier Cut-off Date**") as the last date on which any counterparty may adhere to this Protocol in respect of any Covered Index Transaction then or in the future between them.

(i) Any designated Earlier Cut-off Date that would otherwise fall on a day that is less than three calendar days following the day on which the Revocation Notice is effectively delivered will be deemed to occur on the day that is three calendar days following the date of effective delivery. Any designated Earlier Cut-off Date that would otherwise fall, after giving effect to the preceding sentence (if applicable), on a day that is not a day on which the New York ISDA office is open will be deemed to occur on the next day the New York ISDA office is open.

(ii) Upon the effective designation of an Earlier Cut-off Date by an Adhering Party, this Protocol will not amend or otherwise affect any Covered Index Transaction between that Adhering Party and a party which adheres to this Protocol after the day on which that Earlier Cut-off Date occurs or is deemed to occur. The foregoing is without prejudice to (A) any amendment to any Covered Index Transaction between two Adhering Parties effected pursuant to this Protocol on or before the day on which that Earlier Cut-off Date occurs or is deemed to occur and (B) any amendment effected pursuant to this Protocol to any Covered Index Transaction entered into after the day on which that Earlier Cut-off Date occurs or is deemed to occur between two Adhering Parties that each adhered to this Protocol on or before the day on which that Earlier Cut-off Date occurs or is deemed to occur, which in each case will be (or continue to be) effective.

(iii) Each Revocation Notice must be delivered in duplicate, one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory.

(iv) Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of a Revocation Notice certified by the General Counsel or an appropriate officer of ISDA will be deemed to be an original.

(v) Any purported revocation that ISDA, as agent, determines in good faith is not in compliance with this Section will be void.

(d) **Headings.** The headings used in this Protocol and any Adherence Letter or Revocation Notice are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Protocol or any Adherence Letter.

(e) **Governing Law.** This Protocol and each Adherence Letter will, as between two Adhering Parties and in respect of each Covered Index Transaction between them, be governed by and construed in accordance with the law specified to govern that Covered Index Transaction and otherwise in accordance with applicable choice of law doctrine.

(f) **Notices.** Any Adherence Letter or Revocation Notice must be in writing and delivered as a locked PDF (portable document format) attachment to an email to ISDA at delphiprotocol2@isda.org and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery the New York ISDA office is closed or that communication is delivered after 5:00 p.m., New York time, in which case that communication will be deemed effectively delivered on the next day the New York ISDA office is open. Each Adhering Party agrees that the determination of the date and time of delivery of any Adherence Letter shall be determined by ISDA in its absolute discretion.

6. Definitions

As used in this Protocol, "**Confirmation**", "**Credit Support Document**" and "**Transaction**" each has the meaning given that term in the related Governing ISDA Master Agreement and "**Credit Derivative Transaction**" has the meaning given that term in the 2003 ISDA Credit Derivatives Definitions, as published by ISDA (the "**Credit Definitions**"). Each capitalized term used in this Protocol or Schedule 1 but not defined herein or therein has the meaning given that term in the related Index Documentation.

References in this Protocol and Schedule 1 to the following terms have the meaning indicated below:

"**Affected CDX Index**" means each of the indices published by CDS IndexCo LLC containing Delphi, being: Dow Jones CDX.NA.HY Series 5 (and the HB sub-index), Dow Jones CDX.NA.HY Series 4 (and the BB and HB sub-indices), Dow Jones CDX.NA.IG Series 3 (and the INDU and HVOL sub-indices), Dow Jones CDX.NA.IG Series 2 (and the INDU and HVOL sub-indices) and iBoxx CDX.NA.IG (which is also known as Dow Jones CDX.NA.IG) (and the INDU and HVOL sub-indices).

"**Affected TRAC-X Index**" means the Dow Jones TRAC-X NA Series 2 March 2009 Index, the Dow Jones TRAC-X NA Series 2 March 2014 Index, the Dow Jones TRAC-X NA Series 2 High Beta March 2009 Index, the Dow Jones TRAC-X NA Series 2 High Beta March 2014 Index, the TRAC-X NA Series 1 September 2008 Index and the TRAC-X NA Series 1 BBB September 2008 Index.

"**Affected TRACERS Index**" means the TRACERS Index, the TRACERS-BBB Index and the TRACERS 49 Index (which is also known as TRACERS October 2007).

"**Auction Date**" means 4th November, 2005.

"**Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in New York and London.

"**Covered CDX Tranche Transaction**" means a tranching Credit Derivative Transaction relating to an Affected CDX Index entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"**Covered CDX Untranching Transaction**" means a Credit Derivative Transaction that is not a Covered CDX Tranche Transaction relating to an Affected CDX Index entered into on or before the Business Day

immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Covered Index Transaction" means a Covered CDX Untranching Transaction, a Covered CDX Tranche Transaction, a Covered TRAC-X Tranche Transaction, a Covered TRAC-X Series 1 Untranching Transaction, a Covered TRAC-X Series 2 Untranching Transaction, a Covered TRACERS Transaction or a Covered TRACERS 49 Transaction.

"Covered TRAC-X Tranche Transaction" means a tranching Credit Derivative Transaction relating to an Affected TRAC-X Index and entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Covered TRAC-X Series 1 Untranching Transaction" means a Credit Derivative Transaction that is not a Covered TRAC-X Tranche Transaction relating to an Affected TRAC-X Index that is a TRAC-X Series 1 Index and entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Covered TRAC-X Series 2 Untranching Transaction" means a Credit Derivative Transaction that is not a Covered TRAC-X Tranche Transaction relating to an Affected TRAC-X Index that is a Dow Jones TRAC-X Series 2 Index and entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Covered TRACERS Transaction" means a Credit Derivative Transaction that is not a Covered TRACERS 49 Transaction relating to an Affected TRACERS Index and entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Covered TRACERS 49 Transaction" means a Credit Derivative Transaction relating to an Affected TRACERS Index that is the TRACERS 49 Index and entered into on or before the Business Day immediately preceding the Final Price Determination Date that is outstanding on the Final Price Determination Date and governed by relevant Index Documentation, other than any Excluded Transaction.

"Delphi Portion" means, in respect of a Covered Index Transaction, the portion of such Covered Index Transaction attributable to Delphi for which Physical Settlement has not occurred (or, if only Cash Settlement is applicable to that portion, for which Cash Settlement has not occurred) prior to the time this Protocol is effective in respect of such Covered Index Transaction.

"Excluded Transaction" means any Credit Derivative Transaction that is (i) a swaption transaction that remains unexercised on the Final Price Determination Date or (ii) any Credit Derivative Transaction between any two of Bear Stearns Credit Products Inc., Citigroup Global Markets Limited, Credit Suisse First Boston International, Deutsche Bank AG London, Goldman Sachs International, JPMorgan Chase Bank, Merrill Lynch International, Morgan Stanley Capital Services Inc. and UBS AG London Branch (A) in respect of (I) Dow Jones CDX.NA.HY.4 Trust 1 June 2010 or (II) Dow Jones CDX.NA.HY.4 Trust 2 June 2010 that is documented under the Master CDS Confirmation between such parties dated 20th April,

2005 or (B) in respect of Dow Jones CDX.NA.HY.5 Trust 1 December 2010 that is documented under the Master CDS Confirmation between such parties dated 13th October, 2005.

"Final Price Determination Date" has the meaning specified in Exhibit 3 hereto.

"Governing ISDA Master Agreement" means, in respect of a Covered Index Transaction, the ISDA Master Agreement governing such Covered Index Transaction, whether executed by the parties thereto or incorporated by reference in the Confirmation relating to such Covered Index Transaction.

"Index Documentation" means the Governing ISDA Master Agreement and (i) in the case of a Covered CDX Untranching Transaction, a confirmation or master confirmation based on the form published by CDS IndexCo LLC in October 2003 or September 2004, with such modifications to which the parties thereto have agreed, (ii) in the case of a Covered CDX Tranche Transaction, a confirmation and/or master confirmation (including a confirmation or master confirmation incorporating the standard terms) based on the form published by CDS IndexCo LLC in July 2004, March 2005 or June 2005, with such modifications to which the parties thereto have agreed, (iii) in the case of a Covered TRAC-X Series 1 Untranching Transaction, a confirmation or master confirmation based on the form attached hereto as Annex 1, with such modifications to which the parties thereto have agreed, (iv) in the case of a Covered TRAC-X Series 2 Untranching Transaction, a confirmation or master confirmation based on the form attached hereto as Annex 2, with such modifications to which the parties thereto have agreed, (v) in the case of a Covered TRAC-X Tranche Transaction, a confirmation or master confirmation based on the form attached hereto as Annex 3, with such modifications to which the parties thereto have agreed, (vi) in the case of a Covered TRACERS Transaction, a confirmation or master confirmation based on the form attached hereto as Annex 4, with such modifications to which the parties thereto have agreed or (vii) in the case of a Covered TRACERS 49 Transaction, a confirmation or master confirmation based on the form attached hereto as Annex 5, with such modifications to which the parties thereto have agreed.

Form of Adherence Letter

[Letterhead of Adhering Party]

[Date]

International Swaps and Derivatives Association, Inc.
Send to: delhiprotocol2@isda.org

Dear Sirs,

Revised 2005 Delphi CDS Index Protocol - Adherence

The purpose of this letter is to confirm our adherence to the Revised 2005 Delphi CDS Index Protocol, as published by the International Swaps and Derivatives Association, Inc. on 28th October, 2005 (the "**Protocol**"). This letter constitutes an "Adherence Letter" as referred to in the Protocol.

The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Covered Index Transaction (now or in the future) between us and each other Adhering Party.

1. Specified Terms

The terms of Schedule 1, Covered Index Transactions, shall apply.

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of, or in any way relating to, this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. DTCC Account Number

For purposes of electronic matching and counterparty recognition, our DTCC Account Number is as follows, but you understand and agree that our failure to provide any such details pursuant to this letter will not affect the legal validity and binding nature of the Protocol with respect to us:

DTCC Account Number:

4. Contact Details

Our contact details for purposes of this Adherence Letter are:

Name:

Address:

Telephone:
Fax:
E-mail:

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]¹

By:

Name:
Title:
Signature:

¹ Specify legal name of Adhering Party. A separate Adherence Letter should be lodged for each legal entity that is or may become a party to a Covered Index Transaction and wishes to be bound by the terms of the Protocol.

Form of Revocation Notice

[Letterhead of Adhering Party]

[Date]

International Swaps and Derivatives Association, Inc.
Send to: delhiprotocol2@isda.org

Dear Sirs,

Revised 2005 Delphi CDS Index Protocol - Earlier Cut-off Date

The purpose of this letter is to notify you that we wish to designate as the last date on which any counterparty may adhere to the Revised 2005 Delphi CDS Index Protocol, as published by the International Swaps and Derivatives Association, Inc. on 28th October, 2005 (the "**Protocol**"), in respect of any Covered Index Transaction (now or in the future) between us the following date (the "**Earlier Cut-off Date**"):

EARLIER CUT-OFF DATE: []

This letter constitutes a Revocation Notice as referred to in the Protocol.

We consent to the publication of the conformed copy of this notice by ISDA on or after the Earlier Cut-off Date and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]¹

By:

Name:
Title:
Signature:

¹ Specify legal name of Adhering Party.

Auction Methodology

For the purposes of the Protocol of which this Exhibit forms a part, the Final Price for the Deliverable Obligations will be determined according to an auction procedure on the following terms.

- (1) On the Business Day prior to the Auction Date, the Administrators will publish a list of the Participating Bidders.
- (2) Each Participating Bidder: (a) will be expected to submit to the Administrators a Valid Inside Market Submission and a Market Order; and (b) may submit to the Administrators any number of Limit Order Submissions.
- (3) If the Administrators receive at least 10 Valid Inside Market Submissions, the Administrators will determine the "**Inside Market Midpoint**" as follows:
 - (a) The Administrators will sort the Inside Market Bids and Inside Market Offers separately, with the Inside Market Bids sorted in descending order and the Inside Market Offers sorted in ascending order. Each Inside Market Bid will then be matched with the corresponding Inside Market Offer (the highest Inside Market Bid being matched with the lowest Inside Market Offer, the second highest Inside Market Bid with the second lowest Inside Market Offer, etc.) (each such Inside Market Bid/Inside Market Offer pair constituting a "**Matched Market**"). For purposes of sorting the Inside Market Bids and Inside Market Offers, where two Inside Market Bids are equal, the one submitted first to the Administrators will be considered to be the higher of the two, and where two Inside Market Offers are equal, the one submitted first to the Administrators will be considered to be the lower of the two.
 - (b) The Administrators will then calculate the mean of the Inside Market Bids and Inside Market Offers included in the Best Half of the Matched Markets that are Non-Tradeable Markets. To identify the Best Half, the Administrators will sort all Non-Tradeable Markets in order of the spread between the Inside Market Bid and Inside Market Offer within each Matched Market, from smallest spread to largest. The Best Half of the Matched Markets are those in the first half of such list. (In the event that the number of Non-Tradeable Markets is an odd number, the Administrators will round up the number of Matched Markets to include in the Best Half.) The Administrators will then calculate the Inside Market Midpoint by finding the mean of all the Inside Market Bids and Inside Market Offers included in the Matched Markets that fall within the Best Half (with the results rounded to the nearest one eighth of one percent).
 - (c) If the process described in Sections (2) and (3)(a) and (b) above does not result in a single Inside Market Midpoint for any reason, the process described in Sections (2) and (3)(a) and (b) above will be repeated at noon and 2:00 p.m. New York time on the Auction Date and on the following Business Day, until an Inside Market Midpoint is determined.
 - (d) The steps described in (a) and (b) above are illustrated in the following example (which is not intended to reflect indicative prices for the Deliverable Obligations):

Step 1 – Sort Bids from highest to lowest and Offers from lowest to highest.

Contributed		Sorted	
IM Bids	IM Offers	IM Bids	IM Offers
39.500%	41.000%	45.000%	34.000%
40.000%	42.000%	41.000%	39.500%
41.000%	43.000%	41.000%	40.000%
45.000%	47.000%	40.000%	41.000%
32.000%	34.000%	39.500%	42.000%
38.750%	40.000%	38.750%	42.750%
38.000%	39.500%	38.000%	43.000%
41.000%	42.750%	32.000%	47.000%

Best Half { } Tradeable Markets { } Matched Markets { }

Step 2 – Ignore all Tradeable Markets.

Step 3 – The Inside Market Midpoint is the mean of the Best Half of the remaining Matched Markets. If there is an odd number of Matched Markets, round up.

Best Half	
IM Bids	IM Offers
40.000%	41.000%
39.500%	42.000%
38.750%	42.750%

Inside Market Midpoint = Average (40, 41, 39.5, 42, 38.75, 42.75) = **40.667%**, rounded to **40.625%**

- (4) Any Participating Bidder whose Inside Market Bid or Inside Market Offer forms part of a Tradeable Market will be required to purchase or sell, as the case may be, an amount of the Deliverable Obligations with an outstanding principal balance equal to US\$10,000,000 at a price determined by the Administrators as follows:
- (a) The Administrators will re-sort all Inside Market Offers included in Tradeable Markets, placing them in order from highest to lowest, while the Inside Market Bids remain in order from highest to lowest as well. Each Inside Market Bid will then be matched with the corresponding Inside Market Offer (the highest Inside Market Bid being matched with the highest Inside Market Offer, the second highest Inside Market Bid with the second highest Inside Market Offer, etc.) (each such pair, an "Automatic Trade").
 - (b) Each Participating Bidder whose Inside Market Bid forms part of an Automatic Trade will be required to enter into a bilateral agreement to purchase an amount of Deliverable Obligations (such Deliverable Obligations to be selected pursuant to Section (10) below) with an outstanding principal balance equal to US\$10,000,000 from the Participating Bidder whose Inside Market Offer forms part of the same Automatic Trade at a price equal to the midpoint between the Inside Market Bid and Inside Market Offer forming such Automatic Trade, for regular way settlement three Business Days after the Notice of Bond Settlement Date (subject to Sections (11) and (12) below). Purchases and/or sales of Deliverable Obligations entered into by and between Participating Bidders pursuant to Automatic Trades will not be conducted or effected by, or through, either of the Administrators.
 - (c) The steps described in (a) and (b) above are illustrated in the following example (which is not intended to reflect indicative prices for the Deliverable Obligations):

Step 1 – Considering only the Tradeable Markets, reverse the order of the Inside Market Offers to match the best (higher) bids with the worst (higher) offers.

Tradeable	
IM Bids	IM Offers
45.000%	40.000%
41.000%	39.500%
41.000%	34.000%

} Tradeable Offers Reversed

Step 2 – Each Automatic Trade is matched at the midpoint between the Inside Market Bid and the Inside Market Offer.

Trade Levels		
IM Bids	IM Offers	Trade Price
45.000%	40.000%	42.500%
41.000%	39.500%	40.250%
41.000%	34.000%	37.500%

- (5) All remaining Inside Market Bids and Inside Market Offers that do not form part of a Tradeable Market will, together with all Limit Bids and Limit Offers, be considered "**Unmatched Limit Orders.**"
- (6) If an Inside Market Midpoint has been determined pursuant to Section (3) above, the Administrators will match Market Orders to the Unmatched Limit Orders and attempt to determine the Final Price according to the following procedure (which procedure in this Section (6) will be the "**First Auction**"):
 - (a) The Administrators will match all Market Orders with one another in order to determine the Open Interest. If the sum of all Market Offers is less than the sum of all Market Bids, all Market Offers will be matched Pro Rata with Market Bids, subject to the Rounding Convention, and if the sum of all Market Bids is less than the sum of all Market Offers, all Market Bids will be matched Pro Rata with Market Offers, subject to the Rounding Convention (each such match, a "**Market Order Trade**"), which will form a trade at the Final Price as described in Section (6)(e) below.
 - (b) The Administrators will then match the Open Interest against the corresponding Unmatched Limit Orders.
 - (i) If the Open Interest is a bid to purchase Deliverable Obligations, it will be matched against the Unmatched Limit Orders that are Offers. If the Open Interest is an offer to sell Deliverable Obligations, it will be matched against the Unmatched Limit Orders that are Bids.
 - (ii) The Open Interest will be matched against each applicable Unmatched Limit Order, beginning with the Unmatched Limit Order that is the lowest Offer or the highest Bid, as the case may be, and moving to the next remaining lowest (in the case of Offers) or next remaining highest (in the case of Bids) until:
 - (A) the full amount of the Open Interest has been matched against Unmatched Limit Orders totaling the same size as the Open Interest;
 - (B) all of the Unmatched Limit Orders of the relevant type have been matched to the Open Interest; or
 - (C) the next Unmatched Limit Order to be matched to the Open Interest is more than 15% of par more (in the case of Offers) or less (in the case of Bids) than the Inside Market Midpoint, in which case all Unmatched Limit Orders with a price less than (in the case of Offers) or greater than (in the case of Bids) such next Unmatched Limit Order will be matched against the Open Interest.

(Each Unmatched Limit Order that is matched to the Open Interest, under (6)(b)(ii)(A), (B) or (C) above, a "**Matched Limit Order**", each Matched Limit Order/Market Order pair, a "**Matched Limit Order Trade**" and the remaining unmatched Open Interest after the operation of (6)(b)(ii)(B) or (C) above, the "**Unfilled Open Interest**").

- (iii) If, in the case of (6)(b)(ii)(A) above, there are multiple Unmatched Limit Orders stating the same price and each could be the final Unmatched Limit Order to be matched to the Open Interest, then such final Unmatched Limit Orders will be filled Pro Rata against the remaining Open Interest, subject to the Rounding Convention.
 - (c) If the sum of the amounts of all the Market Order Trades and all the Matched Limit Order Trades equals at least 90% of the greater of (i) the sum of the amounts of all Market Offers and (ii) the sum of the amounts of all Market Bids, then the Final Price will be the price associated with the Matched Limit Order that is the highest Offer or the lowest Bid, as the case may be. If the Open Interest is zero, the Final Price will be the Inside Market Midpoint.
 - (d) If the sum of the amounts of all the Market Order Trades and all the Matched Limit Orders equals less than 90% of the greater of (i) the sum of the amounts of all Market Offers and (ii) the sum of the amounts of all Market Bids, then the Final Price will be determined in a Subsequent Auction.
 - (e) If the First Auction determines the Final Price pursuant to Section (6)(c) above, each Participating Bidder whose Market Order or Matched Limit Order, as the case may be, forms part of either a Market Order Trade or a Matched Limit Order Trade will be required to enter into a bilateral agreement to purchase an amount of Deliverable Obligations (such Deliverable Obligations to be selected pursuant to Section (10) below) with an outstanding principal balance equal to the Quotation Amount in respect of the relevant Market Order Trade or Matched Limit Order Trade, as the case may be, at the Final Price for regular way settlement three Business Days after the Notice of Bond Settlement Date (subject to Sections (11) and (12) below); *provided that*, in the case of the Matched Limit Order Trades containing the highest Offer or the lowest Bid, as the case may be, the Quotation Amount will, if necessary, be reduced to reflect the size of the remaining Open Interest. Market Orders that form part of the Open Interest will be filled Pro Rata to complete the Matched Limit Order Trades, subject to the Rounding Convention. Participating Bidders whose Market Order or Matched Limit Order, as the case may be, forms part of a Market Order Trade or Matched Limit Order Trade will be matched with one another alphabetically. Purchases and/or sales of Deliverable Obligations entered into by and between Participating Bidders pursuant to Market Order Trades or Matched Limit Order Trades will not be conducted or effected by, or through, either of the Administrators.
- (7) If a Final Price has not been determined under Section (6)(c) above, the Administrators will determine the Final Price according to the following procedure (which procedure in this Section (7) will be the "**Subsequent Auction**"):
- (a) Participating Bidders will be required to submit Subsequent Market Orders and may submit Subsequent Limit Orders and/or Replacement Limit Orders during the Subsequent Auction Bidding Period.

- (i) If the Open Interest from the First Auction is a bid to purchase Deliverable Obligations, then:
 - (A) if a Participating Bidder submitted a Market Order to purchase Deliverable Obligations, its Subsequent Market Order must be a bid to purchase Deliverable Obligations in a size that is equal to or less than such Participating Bidder's Market Order; and
 - (B) if a Participating Bidder submitted a Market Order to sell Deliverable Obligations, its Subsequent Market Order must be an offer to sell Deliverable Obligations in a size that is equal to or greater than such Participating Bidder's Market Order.
- (ii) If the Open Interest from the First Auction is an offer to sell Deliverable Obligations, then:
 - (A) if a Participating Bidder submitted a Market Order to sell Deliverable Obligations, its Subsequent Market Order must be an offer to sell Deliverable Obligations in a size that is equal to or less than such Participating Bidder's Market Order; and
 - (B) if a Participating Bidder submitted a Market Order to purchase Deliverable Obligations, its Subsequent Market Order must be a bid to purchase Deliverable Obligations in a size that is equal to or greater than such Participating Bidder's Market Order.
- (b) The Administrators will match all Subsequent Market Orders with one another in order to determine the Subsequent Open Interest. If the sum of all Subsequent Market Offers is less than the sum of all Subsequent Market Bids, all Subsequent Market Offers will be matched Pro Rata with Subsequent Market Bids, subject to the Rounding Convention, and if the sum of all Subsequent Market Bids is less than the sum of all Subsequent Market Offers, all Subsequent Market Bids will be matched Pro Rata with Subsequent Market Offers, subject to the Rounding Convention (each such match, a "**Subsequent Market Order Trade**").
- (c) The Subsequent Limit Orders and Replacement Limit Orders will be re-ordered with all the relevant Limit Offers or Limit Bids, as the case may be, (*e.g.*, if the Open Interest is a bid to purchase Deliverable Obligations, the relevant orders will be Limit Offers) and any Inside Market Bids or Inside Market Offers, as the case may be, that did not form part of a Tradeable Market in the prior auction, beginning with the lowest Offer or the highest Bid, as the case may be; *provided that* any Limit Offers, Limit Bids, Inside Market Offers or Inside Market Bids that have been replaced by a Replacement Limit Order will be disregarded in the Subsequent Auction. The Administrators will then repeat the steps in Section (6)(b) above, treating (A) all such Limit Offers, Limit Bids, Inside Market Bids and Inside Market Offers from the First Auction (that did not form part of an Automatic Trade) and all Subsequent Limit Orders and Replacement Limit Orders together as Unmatched Limit Orders and (B) the Subsequent Open Interest as the Open Interest for purposes of such Section.
- (d) The Final Price will be the price associated with the Matched Limit Order that is the highest Offer or the lowest Bid, as the case may be, as determined under this Section (7).

- (e) Each Participating Bidder whose Subsequent Market Order or Matched Limit Order, as the case may be, forms part of either a Subsequent Market Order Trade or a Matched Limit Order Trade will be required to enter into a bilateral agreement to purchase an amount of Deliverable Obligations (such Deliverable Obligations to be selected pursuant to Section (10) below) with an outstanding principal balance equal to the Quotation Amount in respect of the relevant Subsequent Market Order Trade or Matched Limit Order Trade, as the case may be, at the Final Price for regular way settlement three Business Days after the Notice of Bond Settlement Date (subject to Sections (11) and (12) below); *provided that*, in the case of the any Matched Limit Order Trades containing the highest Offer or the lowest Bid, as the case may be, the Quotation Amount will, if necessary, be reduced to reflect the size of the remaining Subsequent Open Interest. Subsequent Market Orders that form part of the Subsequent Open Interest will be filled Pro Rata to complete the Matched Limit Order Trades, subject to the Rounding Convention. Participating Bidders whose Subsequent Market Order or Matched Limit Order, as the case may be, forms part of either a Subsequent Market Order Trade or a Matched Limit Order Trade will be matched with one another alphabetically. Purchases and/or sales of Deliverable Obligations entered into by and between Participating Bidders pursuant to Subsequent Market Order Trades or Matched Limit Order Trades will not be conducted or effected by, or through, either of the Administrators.
- (8) If a Subsequent Auction is necessary and, at any time subsequent to the most recent Bidding Period but prior to the Subsequent Auction Bidding Period, an event occurs that is considered by any two Participating Bidders to be a Materiality Event, then such Participating Bidders shall have a right to require the Administrators to call a vote of the CDX Members to determine whether such event is a Materiality Event, which vote will take place before the commencement of the Subsequent Auction Bidding Period. If a majority of the CDX Members participating in the voting process votes that such event is a Materiality Event, then the First Auction will be deemed to have been cancelled (but no Automatic Trades will be rescinded) and the entire process contemplated by this Auction Methodology shall recommence on the next Business Day, unless prior to 10:00 a.m., New York time on such next Business Day, at a vote of the CDX Members held by the Administrators, a majority of the CDX Members participating in such voting process votes that the news of the Materiality Event has not yet been sufficiently widely disseminated, in which case the entire process contemplated by this Auction Methodology shall recommence on the following Business Day (*i.e.*, two Business Days after the original vote establishing the occurrence of a Materiality Event). Notwithstanding the foregoing, if the Final Price has not been determined prior to November 9, 2005, the entire process contemplated by this Auction Methodology shall recommence on November 9, 2005 and will not be suspended due to a Materiality Event.
- (9) The Administrators will endeavor to publish on their respective websites:
- (a) the Final Price or, alternatively, their determination that a Subsequent Auction will be required along with the reason the First Auction failed to obtain a Final Price;
 - (b) the size and direction of the Unfilled Open Interest or Subsequent Open Interest, as the case may be, if any;
 - (c) the names of the Participating Bidders who submitted Bids, Offers, Subsequent Limit Orders and Replacement Limit Orders, together with the details of all such bids and offers submitted by each (e.g., Participating Bidders and Quotation Amounts), except that where a Subsequent

Auction will be required and has not yet been conducted, only the details of Inside Market Bids and Inside Market Offers will be published;

- (d) the details of any Automatic Trades; and
- (e) only concurrently with the publishing of the Final Price, the details and size of all Market Order Trades, Matched Limit Order Trades or Subsequent Market Order Trades (for the avoidance of doubt, the Administrators will not publish the details of any individual parties to any such trades nor any details of the individual Market Orders or Subsequent Market Orders submitted by Participating Bidders),

in each case within one hour of the close of the Bidding Period or Subsequent Auction Bidding Period, as the case may be.

- (10) Each Participating Bidder ("**Bond Seller**") who, as a result of any of the auction procedures in this Exhibit 3, is required to sell Deliverable Obligations to another Participating Bidder ("**Bond Buyer**"), will, on or prior to the Notice of Bond Settlement Date, deliver a written notice (the "**Notice of Bond Settlement**") to Bond Buyer indicating the description and CUSIP or ISIN number of the Deliverable Obligation(s) Bond Seller intends to deliver to Bond Buyer pursuant to such sale; *provided that* Bond Seller may notify Bond Buyer that Bond Seller is changing the Deliverable Obligation(s) to be delivered (to the extent such Deliverable Obligation(s) have not previously been delivered) or revising the description of the Deliverable Obligation(s) included in the Notice of Bond Settlement (including a Notice of Bond Settlement delivered by Bond Buyer as noted below), but each such Notice of Bond Settlement must be effective on or prior to the Bond Settlement Date. If Bond Seller does not deliver to Bond Buyer a Notice of Bond Settlement on or prior to the Notice of Bond Settlement Date, Bond Buyer may deliver to Bond Seller a Notice of Bond Settlement on or after the next Business Day following the Notice of Bond Settlement Date.
- (11) To the extent that any sales of Deliverable Obligations take place pursuant to the above auction procedures, they shall be subject to the following provisions of this Section (11):

At any time after the date that is five Business Days after the Bond Settlement Date, if Bond Seller has not delivered any Deliverable Obligations specified in the Notice of Bond Settlement, Bond Buyer may exercise a right to close out all or a portion of the relevant trade by the purchase of such Deliverable Obligations under the terms of this Section (11) (a "**Buy-in**"), unless such failure to deliver is due to an event of the type described in Section (12) (in which case Section (12) shall apply). Bond Buyer will provide to Bond Seller two or more Business Days' notice (which may be by telephone and may be provided prior to the expiration of the five Business Day period after the Bond Settlement Date) of its intention to Buy-in (a "**Buy-in Notice**"), specifying the date of the anticipated Buy-in (the "**Buy-in Date**"), the Deliverable Obligations to be subject to the Buy-in (to the extent not delivered prior to the Buy-in Date, the "**Relevant Bonds**") and the outstanding principal balance thereof sought to be bought-in.

On the Buy-in Date, Bond Buyer shall attempt to obtain from five or more Participating Bidders firm quotations for the sale ("**Buy-in Offers**") of the specified outstanding principal balance of the Relevant Bonds. The lowest Buy-in Offer or, if Bond Buyer obtains only one Buy-in Offer, such Buy-in Offer, for the outstanding principal balance of the Relevant Bonds shall be the "**Buy-in Price**". If Bond Buyer is unable to obtain at least one Buy-in Offer from such Participating Bidders on the relevant Buy-in Date for the specified outstanding principal balance of the Relevant Bonds,

Bond Buyer will attempt to obtain Buy-in Offers for all or a portion of the specified outstanding principal balance of the Relevant Bonds from five or more Participating Bidders on each Business Day following the Buy-in Date until the earlier of (i) the fourth Business Day (inclusive) following such Buy-in Date and (ii) the date a Buy-in Price or Prices are determined for all of the specified outstanding principal balance of the Relevant Bonds (such period commencing on the Buy-in Date, the "**Buy-in Period**"). Bond Buyer will conduct the Buy-in in a commercially reasonable manner and in accordance with these procedures.

Bond Seller's obligation to deliver the specified outstanding principal balance of the Relevant Bonds shall be suspended during the Buy-in Period and shall recommence on the first Business Day following the end of the Buy-in Period to the extent the Bond Buyer has not determined a Buy-in Price for the specified outstanding principal balance of the Relevant Bonds. Bond Buyer shall commit to purchase such principal balance of the Relevant Bonds at the applicable Buy-in Price. Thereafter, to the extent a Buy-in Price has not been determined during a Buy-in Period with respect to all of the specified outstanding principal balance of the Relevant Bonds, on or at any time after the sixth Business Day after such Buy-in Period, Bond Buyer may give another Buy-in Notice for the purpose of commencing another Buy-in Period for the Relevant Bonds that still have not been delivered in accordance with these procedures. This process may be repeated until the final settlement of the relevant trade.

On the date a Buy-in Price is determined (or as soon as practicable thereafter), Bond Buyer will provide notice (which may be by telephone) of the outstanding principal balance of the Relevant Bonds for which Buy-in Prices were determined and the Buy-in Price therefor. On the third Business Day following such notice, Bond Seller will pay to Bond Buyer the greater of (a) zero and (b) the sum of (i) any reasonable brokerage costs incurred by Bond Buyer in connection with any purchases by it of the Relevant Bonds as part of the Buy-in, and (ii) the product of (A) the Buy-in Price less the price for the Relevant Bonds established pursuant to the auction procedures set forth in this Exhibit 3, and (B) the corresponding outstanding principal balance of the Relevant Bonds for which a Buy-in Price was determined. For the avoidance of doubt, Bond Buyer shall have no payment obligation to Bond Seller under the Buy-in procedures set forth in this Section (11).

Unless otherwise agreed by Bond Seller and Bond Buyer, this Section (11) shall replace any otherwise applicable buy-in rules.

- (12) If, due to an event beyond the control of Bond Seller, it is impossible or illegal for Bond Seller to deliver, or due to an event beyond the control of Bond Buyer it is impossible or illegal for Bond Buyer to accept delivery of, any of the Deliverable Obligations specified in the Notice of Bond Settlement on the Bond Settlement Date (including, without limitation, failure of the relevant clearance system or due to any law, regulation or court order, but excluding market conditions), then on or before such date (a) Bond Seller shall deliver and Bond Buyer shall take delivery of any of the Deliverable Obligations specified in the Notice of Bond Settlement for which it is possible and legal to take Delivery and Bond Buyer shall pay the price determined under the relevant trade pursuant to the provisions of this Exhibit 3, multiplied by the amount of Deliverable Obligations that are delivered in accordance with market practice applicable to the Deliverable Obligation on the Bond Settlement Date and (b) Bond Seller or Bond Buyer, as applicable, shall provide a description in reasonable detail of the facts giving rise to such impossibility or illegality and, as soon as practicable thereafter, Bond Seller shall deliver and Bond Buyer shall take delivery of the Deliverable Obligations specified in the Notice of Bond Settlement which were not delivered, and Bond Buyer shall pay the price determined under the relevant trade pursuant to the provisions of this Exhibit 3,

multiplied by the amount of Deliverable Obligations that are delivered in accordance with market practice applicable to the Deliverable Obligation on the date such Deliverable Obligation(s) are delivered. If, following the occurrence of any such impossibility or illegality, the amount of Deliverable Obligations that are to be delivered as specified in the Notice of Bond Settlement are not delivered to Bond Buyer on or prior to the date that is thirty calendar days after the Bond Settlement Date:

- (a) where it is impossible or illegal for Bond Seller to deliver the Deliverable Obligations, Section (11) above will apply to such trade, except that the Bond Buyer may provide the Buy-in Notice beginning only after the fifth Business Day that occurs after the thirtieth calendar day after the Bond Settlement Date;
 - (b) where it is impossible or illegal for Bond Buyer to accept delivery of the Deliverable Obligations, on the first Business Day to occur after the thirtieth calendar day after the Bond Settlement Date (the "**Liquidation Date**"), Bond Seller shall attempt to obtain from five or more Participating Bidders firm quotations for the purchase of the specified outstanding principal balance of the Relevant Bonds ("**Liquidation Bids**"). The highest Liquidation Bid or, if the Bond Seller obtains only one Liquidation Bid, such Liquidation Bid, for the outstanding principal balance of the Relevant Bonds shall be the "**Liquidation Price**". If Bond Seller is unable to obtain at least one Liquidation Bid from such Participating Bidders on the relevant Liquidation Date for the specified outstanding principal balance of the Relevant Bonds, Bond Seller will continue to attempt to obtain Liquidation Bids for all or a portion of the specified outstanding principal balance of the Relevant Bonds from Participating Bidders until the date a Liquidation Price is determined for all of the specified outstanding principal balance of the Relevant Bonds. Bond Seller will conduct the sale of the Deliverable Obligations in a commercially reasonable manner and in accordance with these procedures. On the date the Liquidation Price is determined (or as soon as practicable thereafter), Bond Seller will provide notice (which may be by telephone) of the outstanding principal balance of the Relevant Bonds for which the Liquidation Price was determined and the Liquidation Price therefor. On the third Business Day following such notice, Bond Seller or Bond Buyer, as the case may be, will pay to the other the product of (a) the absolute value of the difference between the Liquidation Price and the price for the Relevant Bonds established pursuant to the auction procedures set forth in this Exhibit 3, and (b) the corresponding outstanding principal balance of the Relevant Bonds for which the Liquidation Price was determined (such product, the "**Differential Amount**"). If the Liquidation Price is greater than the price for the Relevant Bonds established pursuant to the auction procedures, Bond Seller will pay Bond Buyer the Differential Amount. If the Liquidation Price is less than the price for the Relevant Bonds established pursuant to the auction procedures, Bond Buyer will pay Bond Seller the Differential Amount; and
 - (c) where it is impossible or illegal both for Bond Seller to deliver the Deliverable Obligations and for Bond Buyer to accept delivery of the Deliverable Obligations, the portion of the relevant trade for which bonds have not been delivered will be terminated and no payment or delivery will be owed by either Bond Seller or Bond Buyer in respect of such portion.
- (13) Any notice delivered by a Participating Bidder pursuant to Sections (10), (11) or (12) of this Exhibit 3 on or prior to 4:00 p.m. New York time on a Business Day will be effective on such Business Day. Any such notice delivered after 4:00 p.m. New York time on a Business Day will be deemed effective on the next following Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the

time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide the written confirmation will not affect the effectiveness of that telephonic notice.

(14) References in this Exhibit 3 to the following terms have the meaning indicated below:

"**Administrators**" means both Markit Group Limited and Creditex, Inc., acting together.

"**Auction Date**" means 4th November, 2005.

"**Auction Event**" means, unless a Materiality Event occurs, the Final Price Determination Date has not occurred on or prior to the Business Day immediately following the Auction Date (or, if a Materiality Event occurs, the Final Price Determination Date has not occurred on or prior to November 9, 2005).

"**Automatic Trade**" has the meaning set forth in Section (4)(a) of this Exhibit 3.

"**Best Half**" means the group of Matched Markets determined pursuant to Section (3)(b) of the Auction Methodology described in this Exhibit 3.

"**Bid**" means an Inside Market Bid or a Limit Bid.

"**Bidding Agreement Letter**" means a letter agreement, substantially in the form of Exhibit 4 to this Protocol, executed and delivered to the Administrators and the International Swaps and Derivatives Association, Inc. no later than 5:00 p.m. New York time on the Cut-off Date.

"**Bidding Period**" means any time between 9:45 a.m. and 10:00 a.m. New York time on the Auction Date or, if the process described in Sections (2) and (3)(a) and (3)(b) must be repeated pursuant to Section (3)(c), the fifteen minute period occurring just before noon or 2:00 p.m. New York time, as the case may be, on the Auction Date, or on a subsequent Business Day (or, in each case, such later time as the Administrators determine is necessary in order to implement these auction procedures pursuant to Section (8) of this Exhibit 3 or otherwise) until the earlier of the Final Price Determination Date or the occurrence of an Auction Event.

"**Bond Buyer**" has the meaning set forth in Section (10) of this Exhibit 3.

"**Bond Seller**" has the meaning set forth in Section (10) of this Exhibit 3.

"**Bond Settlement Date**" means the third Business Day after the Notice of Bond Settlement Date.

"**Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in New York and London.

"**Buy-in**" has the meaning set forth in Section (11) of this Exhibit 3.

"**Buy-in Date**" has the meaning set forth in Section (11) of this Exhibit 3.

"**Buy-in Notice**" has the meaning set forth in Section (11) of this Exhibit 3.

"**Buy-in Offers**" has the meaning set forth in Section (11) of this Exhibit 3.

"**Buy-in Period**" has the meaning set forth in Section (11) of this Exhibit 3.

"**Buy-in Price**" has the meaning set forth in Section (11) of this Exhibit 3.

"**CDX Members**" means ABN AMRO Bank N.V., Banc of America Securities LLC, Barclays Bank PLC, Bear Stearns Capital Markets Inc., BNP Paribas, Citigroup Global Markets Inc., Credit Suisse First Boston Next Fund, Inc., Deutsche Bank AG London, The Goldman Sachs Group, Inc., HSBC Bank USA, LabMorgan Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, MSDW Fixed Income Venture, Inc., UBS AG, London Branch, and Wachovia Capital Investment, Inc.

"**Crossing Market**" means any Matched Market for which the Inside Market Bid is higher than the Inside Market Offer.

"**Cut-off Date**" means 2nd November, 2005.

"**Deliverable Obligation**" means one of the Deliverable Obligations set forth immediately below.

Issuer	Coupon	Maturity	CUSIP	ISIN
Delphi Corporation	6.55%	15th June, 2006	247126AD7	US247126AD76
Delphi Corporation	6.50%	1st May, 2009	247126AB1	US247126AB11
Delphi Corporation	6.50%	15th August, 2013	247126AE5	US247126AE59
Delphi Corporation	7.125%	1st May, 2029	247126AC9	US247126AC93

"**Differential Amount**" has the meaning set forth in Section (12)(b) of this Exhibit 3.

"**Final Price**" means the price determined to be the Final Price pursuant to Section (6)(c) or (7)(d) of this Exhibit 3.

"**Final Price Determination Date**" means the day the Final Price is determined.

"**First Auction**" has the meaning set forth in Section (6) of this Exhibit 3.

"**Inside Market Bid**" means a firm quotation, submitted as part of a Valid Inside Market Submission, of the price at which the Participating Bidder agrees to purchase an amount of Deliverable Obligations with an outstanding principal balance equal to US\$10,000,000 for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest.

"**Inside Market Midpoint**" means the price determined to be the Inside Market Midpoint pursuant to Section (3) of this Exhibit 3.

"**Inside Market Offer**" means a firm quotation, submitted as part of a Valid Inside Market Submission, of the price at which the Participating Bidder agrees to sell an amount of Deliverable

Obligations with an outstanding principal balance equal to US\$10,000,000 for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest.

"Limit Bid" means a firm quotation, submitted as part of a Limit Order Submission, of the price at which the Participating Bidder agrees to purchase an amount of Deliverable Obligations with an outstanding principal balance up to or equal to the Quotation Amount stated in such Submission for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest, and which price is less than or equal to the price of the Inside Market Bid that such Participating Bidder submitted in its Valid Inside Market Submission.

"Limit Offer" means a firm quotation, submitted as part of a Limit Order Submission, of the price at which the Participating Bidder agrees to sell an amount of Deliverable Obligations with an outstanding principal balance up to or equal to the Quotation Amount stated in such Submission for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest, and which price is greater than or equal to the price of the Inside Market Offer that such Participating Bidder submitted in its Valid Inside Market Submission.

"Limit Order Submission" means a submission from a Participating Bidder received by the Administrators during the Bidding Period or Subsequent Auction Bidding Period, as appropriate, of a Limit Bid and/or a Limit Offer expressed as a percentage (in increments of one eighth of one percent (e.g., 35.375%)) and for which a Quotation Amount is stated.

"Limit Price" has the meaning set forth in Section (6)(b)(ii)(C) of this Exhibit 3.

"Liquidation Bid" has the meaning set forth in Section (12)(b) of this Exhibit 3.

"Liquidation Date" has the meaning set forth in Section (12)(b) of this Exhibit 3.

"Liquidation Period" has the meaning set forth in Section (12)(b) of this Exhibit 3.

"Market Bid" means a firm bid, received by the Administrators during the Bidding Period or Subsequent Auction Bidding Period, as appropriate, to purchase at the Final Price Deliverable Obligations with an outstanding principal balance up to the Quotation Amount stated in the Submission for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest.

"Market Offer" means a firm offer, received by the Administrators during the Bidding Period or Subsequent Auction Bidding Period, as appropriate, to sell at the Final Price Deliverable Obligations with an outstanding principal balance up to the Quotation Amount stated in the Submission for regular way settlement three Business Days after the Notice of Bond Settlement Date, without accrued interest.

"Market Order" means a Market Bid or a Market Offer submitted by a Participating Bidder and received by the Administrators during the Bidding Period.

"Market Order Trade" has the meaning set forth in Section (6)(a) of this Exhibit 3.

"Matched Market" has the meaning set forth in Section (3)(a) of this Exhibit 3.

"Matched Limit Order" has the meaning set forth in Section (6)(b)(ii) of this Exhibit 3.

"Matched Limit Order Trade" has the meaning set forth in Section (6)(b)(ii) of this Exhibit 3.

"Materiality Event" means an event or news the occurrence of which has or could have a significant effect on the price of one or more of the Deliverable Obligations.

"Non-Tradeable Market" means any Matched Market that is not a Tradeable Market.

"Notice of Bond Settlement" has the meaning set forth in Section (10) of this Exhibit 3.

"Notice of Bond Settlement Date" means 10th November, 2005 (or, if such date is not a Business Day, the next following Business Day).

"Offer" means any Limit Offer or any Inside Market Offer.

"Open Interest" means the difference between (a) the sum of all Market Bids and (b) the sum of all Market Offers, in each case, submitted in connection with the First Auction.

"Participating Bidder" means any institution that submits a valid Bidding Agreement Letter no later than 5:00 p.m. New York time on the Cut-off Date.

"Pro Rata" means that Participating Bidders's orders are matched proportionally with respect to the Quotation Amount of each such order and the total amount of orders that can be matched in the relevant part of the auction.

"Quotation Amount" means the amount stated as the notional amount with respect to a particular Limit Bid, Limit Offer, Inside Market Bid, Inside Market Offer, Market Order or Subsequent Market Order in a Participating Bidder's Submission, which amount in each case will be an integral multiple of US\$1,000,000.

"Replacement Limit Order" means a Submission from a Participating Bidder received by the Administrators during the Subsequent Auction Bidding Period containing one or more Limit Offers or Limit Bids, which Limit Offers or Limit Bids: (1) are submitted to replace Limit Offers, Limit Bids, Inside Market Offers or Inside Market Bids (other than any Inside Market Offer or Inside Market Bid that formed part of an Automatic Trade) submitted by the same Participating Bidder during the Bidding Period, *provided that* a Limit Bid or Inside Market Bid from the First Auction may only be replaced by a Limit Bid and a Limit Offer or Inside Market Offer from the First Auction may only be replaced by a Limit Offer; (2) are larger than or equal to such replaced Limit Offers, Limit Bids, Inside Market Offers or Inside Market Bids; and (3) state a price which is closer to the Inside Market Midpoint than such replaced Limit Offers, Limit Bids, Inside Market Offers or Inside Market Bids.

"Relevant Bonds" has the meaning set forth in Section (11) of this Exhibit 3.

"Rounding Convention" means that, if a Participating Bidder's order is matched in an amount that is not an integral multiple of US\$100,000, then the amount to be so matched will be rounded down to the nearest US\$100,000. The difference between the total amounts of all orders having been filled Pro Rata and the total of all rounded down amounts will be allocated US\$100,000 at a time to Participating Bidders in order, beginning with the Participating Bidder with the order stating the largest Quotation Amount at the same price. In the event that there are Participating Bidders with

identical orders of such type, US\$100,000 amounts will be allocated first to the Participating Bidder whose orders were received first by the Administrators.

"Submission" means, with respect to a Participating Bidder, any Valid Inside Market Submission or Limit Order Submission of such Participating Bidder or Market Order, Subsequent Limit Order or Subsequent Market Order submitted by such Participating Bidder to the Administrators.

"Subsequent Auction" has the meaning set forth in Section (7) of this Exhibit 3.

"Subsequent Auction Bidding Period" means any time during the fifteen minutes preceding the turn of the hour that is greater than two hours, but less than three hours after the announcement by the Administrators of the determination that a Subsequent Auction will be necessary to determine the Final Price. (For example, if such announcement is made at 10:30 a.m. New York time, the Subsequent Auction Bidding Period will be anytime between 12:45 p.m. and 1:00 p.m. New York time on the same day.) If such Subsequent Auction Bidding Period would occur after 6:00 p.m. New York time on such day, then the Subsequent Auction Bidding Period will be any time between 9:45 a.m. and 10:00 a.m. New York time on the subsequent Business Day.

"Subsequent Limit Order" means a Submission from a Participating Bidder received by the Administrators during the Subsequent Auction Bidding Period containing one or more Limit Offers or Limit Bids.

"Subsequent Market Bid" means a Market Bid that is a Subsequent Market Order.

"Subsequent Market Offer" means a Market Offer that is a Subsequent Market Order.

"Subsequent Market Order" means a Market Bid or Market Offer submitted by a Participating Bidder and received by the Administrators during the Subsequent Auction Bidding Period.

"Subsequent Market Order Trade" has the meaning set forth in Section (7)(b) of this Exhibit 3.

"Subsequent Open Interest" means the difference between (a) the sum of all Market Bids and (b) the sum of all Market Offers, in each case as submitted in connection with a Subsequent Auction.

"Touching Market" means any Matched Market for which the Inside Market Bid and Inside Market Offer are equal.

"Tradeable Market" means any Matched Market that is a Crossing Market or a Touching Market.

"Unfilled Open Interest" has the meaning set forth in Section (6)(b)(ii) of this Exhibit 3.

"Unmatched Limit Order" has the meaning set forth in Section (5) of this Exhibit 3.

"Valid Inside Market Submission" means a submission from a Participating Bidder received by the Administrators during the Bidding Period of both an Inside Market Bid and an Inside Market Offer, each expressed as a percentage (in increments of one eighth of one percent (e.g., 35.375%)) which do not differ from one another by more than 2.00% of par, and for which the Inside Market Bid is not greater than or equal to the Inside Market Offer.

Form of Bidding Agreement Letter

[Letterhead of Participating Bidder]

[Date]

Markit Group Limited
Send to: cdx@markit.com

Creditex, Inc.
Send to: CEF@creditex.com

International Swaps and Derivatives Association, Inc.
Send to: delhiprotocol2@isda.org

Dear Sirs,

We write to inform you that we wish to be a "Participating Bidder," as defined in the Auction Methodology included as part of the Revised 2005 Delphi CDS Index Protocol published by the International Swaps and Derivatives Association, Inc. on 28th October, 2005 (the "**Protocol**"), in respect of Delphi Corporation. Capitalized terms used in this letter but not defined herein have the meanings specified in the Protocol.

We hereby notify you that it is our intention that, pursuant to the Protocol at the time of submission, each Market Order we submit will, to the best of our knowledge and belief, represent (i) the aggregate amount of Deliverable Obligations we would have to buy or sell in order to obtain a net neutral result with respect to all Covered Index Transactions to be settled pursuant to the Protocol both before and after settlement under the Protocol (*i.e.*, such amount as is necessary to maintain an identical risk profile under all Covered Index Transactions both before and after settlement under the Protocol), plus or minus, as the case may be, (ii) each market order we receive from clients who have adhered to the Protocol and who have outstanding Covered Index Transactions to be settled pursuant to the Protocol with us, or one of our affiliates, representing a risk profile that approximately corresponds to such market order.

By signing and returning this Bidding Agreement Letter to you, we represent that:

- (a) from time to time we make a market in one or more of the obligations of the types listed under the definition of "Deliverable Obligation" in Exhibit 3 to the Protocol;
- (b) we are, or our affiliate is, licensed by CDS IndexCo LLC or Dow Jones & Company, Inc. to use the service marks relating to the Dow Jones CDX.NA.HY and Dow Jones CDX.NA.IG indices in connection with Covered Index Transactions;
- (c) none of our affiliates has previously submitted a Bidding Agreement Letter to you; and

(d) we are not, as of the date of this letter, subject to any requirement that would make it impossible or illegal for us to deliver or accept delivery of any of the Deliverable Obligations.

In addition, we agree that neither Administrator shall be liable to us for any indirect, special or consequential damages resulting from our participation in the auction described in the Auction Methodology (the "**Auction**") (including any Automatic Trade involving our Bid or Offer), and that each Administrator's maximum cumulative liability for direct and any other damages arising out of our participation in the Auction (including any Automatic Trade), other than damages resulting from gross negligence, willful misconduct or breach of representations made to the Participating Bidders in Creditex, Inc.'s letter to the Participating Bidders dated 28th October, 2005 on the part of such Administrator, is limited to US\$10,000 in the aggregate.

Our contact details for purposes of this Bidding Agreement Letter are:

Name:
Address:
Telephone:
Fax:
E-mail:

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[PARTICIPATING BIDDER]¹

By:

Name:
Title:
Signature:

¹ Specify legal name of Participating Bidder.

SCHEDULE 1

COVERED INDEX TRANSACTIONS

(a) **Covered CDX Untranching Transactions.** The Index Documentation relating to each Covered CDX Untranching Transaction is amended as follows:

(i) *Effect of Actual Notices.* Except for purposes of determining whether the Delphi Portion is an Isolated Transaction, if applicable, any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to the Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (a)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to Settlement are amended by eliminating any requirement that Buyer deliver a Notice of Physical Settlement with respect to Delphi. Accordingly, the Conditions to Settlement are deemed satisfied on the Cut-off Date.

(iv) *Accruals.* Notwithstanding anything to the contrary in the Index Documentation, the Fixed Rate on the Delphi Portion shall accrue to and including 11th October, 2005.

(v) *Settlement Terms.* Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or De Minimis Cash Settlement, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol, with the Final Price Determination Date as the Single Valuation Date. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the Credit Definitions.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(b) **Covered CDX Tranche Transactions.** The Index Documentation relating to each Covered CDX Tranche Transaction is amended as follows:

(i) *Effect of Actual Notices.* Any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to the Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (b)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. Buyer will be deemed to have delivered a Notice of Physical Settlement with respect to Delphi that specifies the Reference Obligation as the sole Selected Obligation with an outstanding principal balance having a Currency Amount equal to the Reference Entity Notional Amount, which notice is effective on the Auction Date and satisfies the requirements of the Index Documentation. Accordingly, the Conditions to Settlement are deemed satisfied on the Auction Date.

(iv) *Accruals.* Notwithstanding anything to the contrary in the Index Documentation, the Fixed Rate shall accrue as if an Event Determination Date had occurred with respect to Delphi on 11th October, 2005.

(v) *Settlement Terms.* The Delphi Portion shall settle in accordance with the Index Documentation, subject to the following:

(A) Buyer will be deemed to have Delivered the Selected Obligation with an outstanding principal balance having a Currency Amount equal to the Reference Entity Notional Amount on the Auction Date.

(B) Seller will not be obligated to pay the related Market Value Amount or Estimated Amount (or any similarly defined amount), as applicable, and neither party will have any obligation to pay any Adjustment Amount (or any similarly defined amount) in connection with such deemed Delivery.

(C) The Final Price for the Selected Obligation will be the Final Price determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol, with the Final Price Determination Date as the Single Valuation Date. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(D) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(vi) *Cash-Settled Only Covered CDX Tranche Transactions.* If the Index Documentation relating to any Covered CDX Tranche Transaction specifies Cash Settlement, as modified by the parties, as the sole Settlement Method, the terms of this Schedule 1 shall be construed in respect of such Covered CDX Tranche Transaction, taking into account any differences between such Index Documentation and the form documentation published by CDS IndexCo LLC in July 2004, March 2005 or June 2005, to effectuate the parties' intent that, other than in the case of an Auction Event,

the Final Price, determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol, be used to determine the amounts, if any, payable by and/or other rights and obligations of the parties with respect to the settlement of the Delphi Portion.

(c) **Covered TRAC-X Series 2 Untranching Transactions.** The Index Documentation relating to each Covered TRAC-X Series 2 Untranching Transaction is amended as follows:

(i) *Effect of Actual Notices.* Any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to the Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (c)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to Settlement are amended by eliminating any requirement that Buyer deliver a Notice of Physical Settlement with respect to Delphi. Accordingly, the Conditions to Settlement are deemed satisfied on the Cut-off Date.

(iv) *Accruals.* Notwithstanding anything to the contrary in the Index Documentation, the final Fixed Rate Payer Calculation Period in respect of the Fixed Amount payable in respect of Delphi shall end on, and include, 11th October, 2005.

(v) *Settlement Terms.* Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or Cash Settlement Fallback, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the Credit Definitions.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(d) **Covered TRAC-X Series 1 Untranching Transactions.** The Index Documentation relating to each Covered TRAC-X Series 1 Untranching Transaction is amended as follows:

(i) *Effect of Actual Notices.* Any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to any Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (d)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to Settlement are amended by eliminating any requirement that Buyer deliver a Notice of Physical Settlement with respect to Delphi. Accordingly, the Conditions to Settlement are deemed satisfied on the Cut-off Date.

(iv) *Accruals.* Notwithstanding anything to the contrary in the Index Documentation, the final Fixed Rate Payer Calculation Period in respect of the Fixed Amount payable in respect of Delphi shall end on, and include, 11th October, 2005 and shall be payable by Buyer to Seller on the Cash Settlement Date.

(v) *Settlement Terms.* Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or Cash Settlement, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the Credit Definitions.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(e) ***Covered TRAC-X Tranche Transactions.*** The Index Documentation relating to each Covered TRAC-X Tranche Transaction is amended as follows:

(i) *Effect of Actual Notices.* Any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to any Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (e)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to

Settlement are amended by eliminating any requirement that Buyer deliver a Notice of Physical Settlement with respect to Delphi. Accordingly, the Conditions to Settlement are deemed satisfied on the Cut-off Date.

(iv) *Accruals*. Notwithstanding anything to the contrary in the Index Documentation, the final Fixed Rate Payer Calculation Period in respect of the Fixed Amount payable in respect of Delphi shall end on, and include, 11th October, 2005.

(v) *Settlement Terms*. Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or Cash Settlement, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the Credit Definitions.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(f) ***Covered TRACERS Transactions***. The Index Documentation relating to each Covered TRACERS Transaction is amended as follows:

(i) *Effect of Actual Notices*. Any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement delivered with respect to any Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries*. Except for the deemed notices provided in clause (f)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement*. A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to Settlement are amended by eliminating any requirement that Buyer deliver a Notice of Physical Settlement with respect to Delphi. Accordingly, the Conditions to Settlement are deemed satisfied on the Cut-off Date.

(iv) *Accruals*. Notwithstanding anything to the contrary in the Index Documentation, the final Fixed Rate Payer Calculation Period in respect of the Fixed Amount payable in respect of Delphi shall end on, and include, 11th October, 2005 and shall be payable by Buyer to Seller on the Cash Settlement Date.

(v) *Settlement Terms.* Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or Cash Settlement, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol. Notwithstanding Section 7.4 of the Credit Definitions, the Calculation Agent will not be obligated to provide any notice with respect to Quotations or the calculation of such Final Price.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the Credit Definitions.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(g) ***Covered TRACERS 49 Transactions.*** The Index Documentation relating to each Covered TRACERS 49 Transaction is amended as follows:

(i) *Effect of Actual Notices.* Any Credit Event Notice, Notice of Publicly Available Information or Notice of Intended Physical Settlement delivered with respect to any Delphi Portion shall be deemed revoked, and neither party shall have any obligations with respect to any such notice.

(ii) *No Additional Notice Deliveries.* Except for the deemed notices provided in clause (g)(iii) below, each party agrees not to deliver any Credit Event Notice, Notice of Publicly Available Information or Notice of Intended Physical Settlement with respect to the Delphi Portion, and any such notice delivered shall be void and have no effect.

(iii) *Satisfaction of Conditions to Settlement.* A Notifying Party shall be deemed to have delivered a Credit Event Notice with respect to the Delphi Portion specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information, which notice in each case is effective on the Cut-off Date and satisfies the requirements of the Index Documentation. The Conditions to Payment are amended by eliminating any requirement that Buyer deliver a Notice of Intended Physical Settlement with respect to Delphi. Accordingly, the Conditions to Payment are deemed satisfied on the Cut-off Date.

(iv) *Accruals.* Notwithstanding anything to the contrary in the Index Documentation, the Fixed Rate shall accrue as if an Event Determination Date had occurred with respect to Delphi on 11th October, 2005.

(v) *Settlement Terms.* Notwithstanding anything to the contrary in the Index Documentation specifying Physical Settlement or Cash Settlement, the Delphi Portion shall settle as if the Settlement Method specified in the Index Documentation were Cash Settlement, subject to the following:

(A) The Final Price will be determined as described in the Auction Methodology set forth in Exhibit 3 to this Protocol.

(B) The Cash Settlement Amount will be determined as provided in Section 7.3 of the 1999 ISDA Credit Derivatives Definitions, as published by ISDA.

(C) The Cash Settlement Date will be the ninth Business Day following the Final Price Determination Date (as defined in Exhibit 3 to this Protocol).

(g) **Inconsistency.** To the extent any provision of the Credit Definitions is inconsistent with the terms of this Schedule 1, the terms of this Schedule 1 shall govern.

(h) **Auction Event.** If an Auction Event occurs, the amendments specified in this Schedule 1, other than clauses (a)(i), (a)(iv), (b)(i), (b)(iv), (c)(i), (c)(iv), (d)(i), (d)(iv), (e)(i), (e)(iv), (f)(i), (f)(iv), (g)(i) and (g)(iv) (construed, to the extent relevant, taking into account clause (b)(vi)), shall be rescinded and have no further effect. For the avoidance of doubt, if an Auction Event occurs, a party may deliver a Credit Event Notice, Notice of Physical Settlement, Notice of Publicly Available Information or any other relevant notice with respect to any Delphi Portion in accordance with the relevant Index Documentation and settle any Covered Index Transaction in accordance with the relevant Index Documentation.