

Supplementary Exhibit En-SUPP 3 AMEND

Amend Method for CSA (English Law)

or

Replicate-and-Amend Method for CSA (English Law)

This Supplementary Exhibit to the ISDA 2016 Variation Margin Protocol is applicable if the Agreed Method is Amend Method or Replicate-and-Amend Method and the CSA Type is English CSA.



International Swaps and Derivatives Association, Inc.

AMENDMENT

to

CREDIT SUPPORT ANNEX

Pursuant to the terms of the ISDA 2016 Variation Margin Protocol, as published on August 16, 2016, by the International Swaps and Derivatives Association, Inc. (the “**ISDA 2016 Variation Margin Protocol**”), the parties have previously entered into a Covered CSA or Replica CSA, which forms part of, and is subject to, a Protocol Covered Agreement and is part of its Schedule (the “**Annex**”), and an agreement to amend the Annex (“**Amendment En-AMEND**”). The parties have now agreed to amend and supplement Amendment En-AMEND and the Annex by the terms of this amendment (this “**Supplemental Amendment**”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the ISDA 2016 Variation Margin Protocol.

Accordingly, in consideration of the mutual agreements contained in this Supplemental Amendment, the parties agree as follows:

1. Effectiveness of this Supplemental Amendment.

If the Supplemental Implementation Date precedes the Australia Rules Compliance Date (VM), this Supplemental Amendment will become effective on the Australia Rules Compliance Date (VM), *provided* that if both parties have answered “Yes” to the Question “Early Implementation of Amend Method?” in their Matched Questionnaires, the amendments will become effective on the earlier of (i) the Australia Rules Compliance Date (VM) and (ii) the fifth London Business Day following the Supplemental Implementation Date (or such other date as the parties may agree). If the Australia Rules Compliance Date (VM) precedes the Supplemental Implementation Date, the amendments will become effective on the Supplemental Implementation Date. For purposes of the foregoing, “**Australian Rules Compliance Date (VM)**” means unless otherwise agreed by the parties, March 1, 2017, or such later date as may be established by Australian Prudential Regulation Authority (“**APRA**”) as the date on which compliance with variation margin provisions of the Australia Rules is required for the trading relationship of Party A and Party B.

2. Amendment of Amendment En-AMEND. Amendment En-AMEND shall be amended by inserting, at the place identified in the text in the left-hand column in the table below, the text in quotes in the right-hand column.

<p>Immediately after the last row of the table in Paragraph 1(a) of Amendment En-AMEND which has the columns headed “Covered Margin Regime included in Designated Regime Combination” and “Compliance Date (VM)”, as a new row in that table</p>	<p>“</p> <table border="1" data-bbox="623 254 1414 348"> <tr> <td data-bbox="623 254 1016 348">Australia Rules</td> <td data-bbox="1016 254 1414 348">Australia Rules Compliance Date (VM)</td> </tr> </table> <p>”</p>	Australia Rules	Australia Rules Compliance Date (VM)
Australia Rules	Australia Rules Compliance Date (VM)		
<p>After the words “For purposes of the foregoing:” in Paragraph 1(a) of Amendment En-AMEND, in the appropriate location based on alphabetical order</p>	<p>““<i>Australia Rules Compliance Date (VM)</i>” means unless otherwise agreed by the parties, March 1, 2017, or such later date as may be established by Australian Prudential Regulation Authority (“<i>APRA</i>”) as the date on which compliance with variation margin provisions of the Australia Rules is required for the trading relationship of Party A and Party B.”</p>		
<p>Immediately before the end of the definition of “Compliance Date (VM)” in Paragraph 1(a) of Amendment En-AMEND, inserted with the appropriate roman numeral identifier and changes of the locations of the commas and “and”</p>	<p>“for Australia Rules, the Australia Rules Compliance Date (VM)”</p>		

3. **Amendment of the Annex.** The Annex shall be amended by inserting, at the place identified in the text in the left-hand column in the table below (if such text appears in the Annex), the text in quotes in the right-hand column, or if indicated in the table, with the language appearing in Schedule 1 to this Supplemental Amendment.

<p>In Paragraph 10 of the Annex, in the appropriate location based on alphabetical order</p>	<p>“Australia Rules” means Australian Prudential Standard CPS 226 Margining and risk mitigation for non-centrally cleared derivatives published by APRA on December 6, 2016.”</p> <p>“Australia Rules Compliance Date (VM)” means unless otherwise agreed by the parties, March 1, 2017, or such later date as may be established by Australian Prudential Regulation Authority (“APRA”) as the date on which compliance with variation margin provisions of the Australia Rules is required for the trading relationship of Party A and Party B.”</p>		
<p>Immediately before the end of the definition of “Compliance Date (VM)” in Paragraph 10 of the Annex, inserted with the appropriate roman numeral identifier and changes of the locations of the commas and “and”</p>	<p>“for Australia Rules, the Australia Rules Compliance Date (VM)”</p>		
<p>Immediately before the end of the definition of “Eligible Credit Support” in Paragraph 10 of the Annex, inserted with the appropriate roman numeral identifier and changes of the locations of the semi-colons and full stops</p>	<p>“is within any of the categories listed in Table – Australia Rules to Paragraph 11, if the Active Regime Combination on the date for which the determination is made includes Australia Rules”</p>		
<p>Immediately after the words “OSFI Rules,” in the definition of “FX Haircut Percentage” in Paragraph 10 of the Annex</p>	<p>“Australia Rules”</p>		
<p>Immediately before the end of the definition of “Regulatory Valuation Percentage” in Paragraph 10 of the Annex, inserted with the appropriate roman numeral identifier and changes of the locations of the commas</p>	<p>“if the parties’ Active Regime Combination on the date for which the determination is made includes Australia Rules, the applicable percentage specified in Table – Australia Rules”</p>		
<p>Immediately after the last row of the table in the definition of “Relevant Compliance Date (VM)” in Paragraph 10 of the Annex which has the columns headed “Covered Margin Regime included in Designated Regime Combination” and “Compliance Date (VM)”, as a new row in that table</p>	<p>“</p> <table border="1" data-bbox="623 1381 1414 1476"> <tr> <td data-bbox="623 1381 1016 1476">Australia Rules</td> <td data-bbox="1016 1381 1414 1476">Australia Rules Compliance Date (VM)</td> </tr> </table> <p>”</p>	Australia Rules	Australia Rules Compliance Date (VM)
Australia Rules	Australia Rules Compliance Date (VM)		
<p>Immediately after the last row of the table in Paragraph 11(2) of the Annex which has the columns headed “Covered Margin Regime included in Active Regime Combination” and “Date for Transfers”, as a new row in that table</p>	<p>“</p> <table border="1" data-bbox="623 1690 1414 1877"> <tr> <td data-bbox="623 1690 1016 1877">Australia Rules</td> <td data-bbox="1016 1690 1414 1877">In the case of cash, promptly after a demand is made but no later than the second Local Business Day, and, in the case of securities, the Settlement Day.</td> </tr> </table> <p>”</p>	Australia Rules	In the case of cash, promptly after a demand is made but no later than the second Local Business Day, and, in the case of securities, the Settlement Day.
Australia Rules	In the case of cash, promptly after a demand is made but no later than the second Local Business Day, and, in the case of securities, the Settlement Day.		

	”			
As a new table to Paragraph 11 of the Annex entitled “Table – Australia Rules”, in formatting equivalent to Table A to Paragraph 11	Insert the text included in Schedule 1 as a new table to Paragraph 11 of the Annex entitled “Table – Australia Rules”			
Immediately after the last row of the table in the Covered Transactions Addendum to Paragraph 11 of the Annex which has the columns headed “Covered Margin Regime included in Designated Regime Combination”, “Regulated Transactions” and “Compliance Date (VM)”, as a new row in that table	<p>“</p> <table border="1"> <tr> <td>Australia Rules</td> <td>Any CPS-226 NCC Derivative (excluding CPS-226 Excluded FX Derivatives)</td> <td>Australia Rules Compliance Date (VM)</td> </tr> </table> <p>”</p>	Australia Rules	Any CPS-226 NCC Derivative (excluding CPS-226 Excluded FX Derivatives)	Australia Rules Compliance Date (VM)
Australia Rules	Any CPS-226 NCC Derivative (excluding CPS-226 Excluded FX Derivatives)	Australia Rules Compliance Date (VM)		
After the words “As used above:” in the Covered Transactions Addendum to Paragraph 11 of the Annex, in the appropriate location based on alphabetical order	<p>““CPS-226 Derivative” is any of the following: (i) a derivative (within the meaning of Chapter 7 of the <i>Corporations Act 2001</i> (Australia)) or (ii) an arrangement that is a forward, swap or option, or any combination of those things, in relation to one or more commodities; but does not include any arrangement that is of a kind mentioned in subregulation 6(2) of the <i>Payment Systems and Netting Regulations 2001</i> (Australia).</p> <p>“CPS-226 Excluded FX Derivatives” means physically settled foreign exchange (FX) forwards and swaps and the fixed physically settled FX transactions associated with the exchange of principal in cross-currency swaps.</p> <p>“CPS-226 NCC Derivative” means a CPS-226 Derivative that is not cleared through a central counterparty. This does not include exchange traded derivatives (being a derivative that is transacted directly through an organised, licensed and regulated exchange), securities financing transactions (these are transactions such as repurchase agreements, reverse repurchase agreements and securities lending and borrowing transactions where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements) and indirectly cleared derivatives that are intermediated through a clearing member on behalf of a non-member client where the client is subject to the margin requirements of the central counterparty, or where the client provides margin consistent with the central counterparty’s margin requirements.”</p>			

Schedule 1

Table – Australia Rules

Australia Rules Eligible Collateral

		<i>Party A</i>	<i>Party B</i>	<i>Regulatory Valuation Percentage</i>
(A)	Cash	Yes	Yes	100%
(B)	Gold bullion	Yes	Yes	85%
(C)	Debt securities rated by an ECAI with a credit rating grade of four (or better) for securities issued by: Commonwealth, State and Territory governments in Australia (including State and Territory central borrowing authorities); central, state and regional governments in other countries; the Reserve Bank of Australia; central banks in other countries; and the international banking agencies and multilateral development banks	Yes	Yes	<u>Residual Maturity in years:</u> ≤ 1 : 99.5% $> 1, \leq 5$: 98% > 5 : 96%
(D)	Debt securities rated by an ECAI with a credit rating grade of three (or better) for securities issued by: ADIs, overseas banks, Australian and international local governments and corporates	Yes	Yes	<u>Residual Maturity in years:</u> ≤ 1 : 99% $> 1, \leq 5$: 96% > 5 : 92%
(E)	Debt securities not rated by an ECAI where these securities are issued by an ADI or overseas bank as senior debt and are listed on a recognised exchange. This is subject to the condition that all rated issues of the same seniority by the issuing ADI or overseas bank have a long-term or short-term credit rating grade of at least three and the APRA covered entity holding the security has no information suggesting that the security justifies a rating below this level.	Yes	Yes	<u>Residual Maturity in years:</u> ≤ 1 : 99% $> 1, \leq 5$: 96% > 5 : 92%
(F)	Covered bonds rated by an ECAI with a credit rating grade of three (or better)	Yes	Yes	<u>Residual Maturity in years:</u> ≤ 1 : 99% $> 1, \leq 5$: 96% > 5 : 92%
(G)	Senior securitisation exposures rated by an ECAI with a credit rating grade of one	Yes	Yes	<u>Residual Maturity in years:</u> ≤ 1 : 99% $> 1, \leq 5$: 96% > 5 : 92%
(H)	Equities included in a major stock index	Yes	Yes	85%

Definitions. For purposes of Table - Australia Rules, the below terms have the following meanings:

“*ADI*” has the meaning given to that term in the Australia Rules.

“*APRA covered entity*” has the meaning given to that term in the Australia Rules.

“*credit rating grade*” refers to the grade pursuant to Attachment C of the Australia Rules.

“*ECAI*” means External Credit Assessment Institution (having the meaning given to it in accordance with the Australia Rules).

“*Senior securitization exposure*” means a securitisation exposure effectively backed or secured by a first claim on the entire amount of the assets in the underlying pool. Securitisation exposures with different maturities that share pro rata loss allocation with senior securitisation exposures so that they benefit from the same level of credit enhancement, are themselves senior securitisation exposures.