

ISDA[®]

International Swaps and Derivatives Association, Inc.

2007 iTRAXX[®] EUROPE MAXIMUM DELIVERABLE AMOUNT PROTOCOL

published on 16 July, 2007

by the International Swaps and Derivatives Association, Inc.

This 2007 iTraxx[®] Europe Maximum Deliverable Amount Protocol (this "**Protocol**") has been published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") to enable parties to Covered Index Transactions to confirm their intentions in respect of certain amendments to such Covered Index Transactions.

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

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 in accordance with the terms of Schedule 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 30 July, 2007 (the "**Cut-off Date**"). Each Adhering Party will deliver two copies of the Adherence Letter, one a signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory.
- (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 such Covered Index Transaction was 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 such 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 Protocol 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)).
- (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**", "**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 Section 1 of this Protocol or 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 the terms 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 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 (an "**Earlier Cut-off Date**").

(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 office of ISDA is open will be deemed to occur on the next day the New York office of ISDA 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 signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory.
- (iv) Any purported revocation that ISDA, as agent, determines in good faith is not in compliance with this Protocol 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 the relevant 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 MEDprotocol@isda.org and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery the New York office of ISDA 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 office of ISDA is open. Each Adhering Party agrees that the determination of the date and time of delivery of any Adherence Letter or Revocation Notice 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 capitalised 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 iTraxx Index" means each of the following indices published by International Index Company Ltd.: iTraxx® Europe Series 4 and iTraxx® Europe Series 5.

"Covered iTraxx Tranche Transaction" means a tranching Credit Derivative Transaction that relates to an Affected iTraxx Index and is governed by relevant Index Documentation.

"Covered Index Transaction" means any Covered iTraxx Tranche Transaction for which each of the parties to such Covered iTraxx Tranche Transaction is an Adhering Party.

"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 a Confirmation (including a Confirmation incorporating the Standard Terms) based on the form published by International Index Company Ltd. on 19th September, 2005, with such modifications to which the parties thereto have agreed.

"Standard Terms" means the iTraxx® Europe Tranching Transactions Standard Terms Supplement (published on 19th September, 2005).

SCHEDULE 1

COVERED iTRAXX INDEX TRANSACTIONS

The Index Documentation relating to each Covered iTraxx Tranche Transaction is amended as follows:

- (a) *Terms Relating to Physical Settlement.* The first paragraph of the Terms Relating to Physical Settlement provisions of the Standard Terms shall be deleted in its entirety and replaced by the following:

"Notwithstanding the provisions of the Credit Derivatives Definitions, in any Notice of Physical Settlement Buyer will specify the outstanding principal balance of each Selected Obligation, the aggregate Currency Amount of which shall be between (a) EUR 100,000 (or, if less, the Reference Entity Notional Amount) and (b) the greater of (i) the Reference Entity Notional Amount and (ii) the Maximum Deliverable Amount; provided that, for the avoidance of doubt, Buyer may not specify an outstanding principal balance of a Selected Obligation of less than the minimum denomination of that Selected Obligation."
- (b) *Amendments to certain definitions.* Each reference in the Standard Terms to (i) Equity Maximum Deliverable Amount shall be deemed to be a reference to Maximum Deliverable Amount, (ii) Equity Calculation Amount shall be deemed to be a reference to Relevant Calculation Amount and (iii) Mark-it Partners Ltd. shall be deemed to be a reference to Markit Group Limited.
- (c) *Confirmation.* All references to Modified Equity Delivery shall be deleted in each Confirmation relating to a Covered iTraxx Tranche Transaction.
- (d) *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.

Form of Adherence Letter

[Letterhead of Adhering Party]

[Date]

International Swaps and Derivatives Association, Inc.

Send to: MEDprotocol@isda.org

Dear Sirs,

2007 iTraxx® Europe Maximum Deliverable Amount Protocol – Adherence Letter

The purpose of this letter is to confirm our adherence to the 2007 iTraxx® Europe Maximum Deliverable Amount Protocol, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") on 16th July, 2007 (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) to the Protocol shall apply to Covered Index Transactions.

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: [●]
Attention: [●]

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. If you are an investment or asset manager and act on behalf of multiple funds, you must indicate in the signature block, "Investment/Asset Manager, acting on behalf of the funds and accounts listed in the relevant Governing ISDA Master Agreement between it and another Adhering Party". A separate Adherence Letter for each fund does *not* need to be submitted to ISDA. Further, no specific names of clients of the investment/asset manager will be publicly disclosed on the ISDA website in connection with the Protocol.

Form of Revocation Notice

[Letterhead of Adhering Party]

[Date]

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

Dear Sirs,

2007 iTraxx® Europe Maximum Deliverable Amount Protocol - Revocation Notice

The purpose of this letter is to notify you that we wish to designate the following date as the last date on which any counterparty may adhere to the 2007 iTraxx® Europe Maximum Deliverable Amount Protocol, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 16th July, 2007 (the "**Protocol**"), in respect of any Covered Index Transaction (now or in the future) between us (the "**Earlier Cut-off Date**"):

EARLIER CUT-OFF DATE: [●]

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

The definitions and provisions contained in the Protocol are incorporated into this Revocation Letter.

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]²

By:

Name:
Title:
Signature:

² Specify legal name of Adhering Party.