

MARKET PRACTICE STATEMENT FOR EUR LIBOR RATES AND EURIBOR RATES FOR OVER THE COUNTER DERIVATIVES TRANSACTIONS

August 22, 2013 - The International Swaps & Derivatives Association, Inc. (“**ISDA**”) today announced a market practice statement (“**this Statement**”) regarding the determination of Relevant Rates for certain Floating Rate Options for transactions (“**Transactions**”) for which August 28, 2013 is a Reset Date in light of the announcement (“**Announcement**”) by the British Bankers’ Association (“**BBA**”) on April 2, 2013 that it would no longer publish euro LIBOR rates on UK bank holidays.

Under the 2006 ISDA Definitions the Floating Rate Option for (i) each of EUR-LIBOR-BBA, EUR-LIBOR-BBA-Bloomberg and EUR-LIBOR-Reference Banks (“**EUR LIBOR FROs**”) and (ii) each of EUR-EURIBOR-Reuters, EUR-EURIBOR-Act/365, EUR-EURIBOR-Act/365-Bloomberg and EUR-EURIBOR-Reference Banks (“**EURIBOR FROs**”), means that the rate for a Reset Date will be a rate determined, as described therein for the relevant Floating Rate Option, “on the day that is two TARGET Settlement Days preceding that Reset Date” (such second preceding TARGET Settlement Day, “**the Fixing Date**”). Prior to the Announcement the BBA published euro LIBOR rates without regard to whether a day was a UK holiday. As a result of the Announcement, if a Fixing Date for a Reset Date is a UK holiday, the BBA will not publish a euro LIBOR rate for such Fixing Date. The Announcement will impact Transactions which use a EUR LIBOR FRO for a Fixing Date occurring on a London holiday, as the rate therefor will not be then available, or if it is then available it will be a rate published for an earlier day, or in the case of EUR-LIBOR-Reference Banks, a rate which is a fallback to another EUR LIBOR FRO or if so specified for a Transaction, as the primary rate, in either case, for a day on which the BBA is not publishing the related euro LIBOR rate.

The rates for EURIBOR FROs are currently published (or, in the case of EUR-LIBOR-Reference Banks, available) and are currently, expected to be continued to be published (or, in the case of EUR-LIBOR-Reference Banks, expected to be available) on UK bank holidays. Accordingly, if a Transaction is a Swap for which there are two Floating Amounts, one that uses a EUR LIBOR FRO as the Floating Rate Option and the other which uses a EURIBOR FRO as the Floating Rate Option (“**EURLIBOR/EURIBOR Basis Swap**”), then following the Announcement, a Reset Date that falls on the same date for each Floating Amount may result in different Fixing Dates if the Fixing Date for that Reset Date is a UK banking holiday.

As a practical matter, the first effect of the Announcement on Transactions will be on those that reference a EUR LIBOR FRO for which the Reset Date is August 28, 2013 since August 26, 2013, the Fixing Date therefor, which is the day which is two TARGET Settlement Days preceding that Reset Date, is a UK bank holiday and the BBA will not publish the related euro LIBOR rate on such date. In the interest of promoting the orderly and consistent valuation of affected Transactions in a consistent manner, ISDA recommends that participants apply the guidance set out in this Statement regarding (i) the determination of a Relevant Rate for which a EUR LIBOR FRO is the Floating Rate Option and August 28, 2013 is the Reset Date and (ii) the determination of a Relevant Rate for which EURIBOR FRO is the Floating Rate Option for a Floating Amount for a EURLIBOR/EURIBOR Basis Swap and August 28, 2013 is the Reset Date.

As is the case for other Floating Rate Options, parties should note that a Reset Date may not be a value date for a EUR LIBOR FRO. The BBA said that it will publish euro LIBOR rates on a London banking

day, regardless of whether such day is a TARGET Settlement Day, for value two TARGET Settlement Days later or if such second TARGET Settlement Day is not a UK banking day, on the following UK banking day.

ISDA may publish an additional Market Practice Statement for Transaction for which the Reset Date is a date other than August 28, 2013, based on recent feedback from the BBA pending further discussions with ISDA participants.

Statement

Part 1: With respect to any Transaction which uses a EUR LIBOR FRO as a Floating Rate Option and has August 28, 2013 as a Reset Date for a Floating Amount to be determined by reference to such EUR LIBOR FRO, the reference in each of Sections 7.1(f)(v), (vi) and (vii) of the 2006 ISDA Definitions to “on the day that is two TARGET Settlement Days preceding that Reset Date” shall be deleted and replaced by “on the day that is two TARGET Settlement Days preceding that Reset Date, or if such day is not a London Banking Day, the day immediately preceding such day which is a London Banking Day” Conforming changes should be made for Transactions that use a Floating Rate Option which is analogous to a EUR LIBOR FRO under the 2000 ISDA Definitions, the 1991 ISDA Definitions or as specified in a Confirmation.

Part 2: With respect to any Transaction which is a EURLIBOR/EURIBOR Basis Swap and has August 28, 2013 as a Reset Date for a Floating Amount thereunder, the reference in each of Sections 7.1(f)(i), (ii), (iii) and (iv) of the 2006 ISDA Definitions to “on the day that is two TARGET Settlement Days preceding that Reset Date” shall be deleted and replaced by “on the day that is two TARGET Settlement Days preceding that Reset Date, or if such day is not a London Banking Day, the day immediately preceding such day which is a London Banking Day”. Conforming changes should be made for analogous Transactions that use a Floating Rate Option which is analogous to a EURIBOR FRO under the 2000 ISDA Definitions, the 1991 ISDA Definitions or as specified in a Confirmation.

Clarifying Note

For clarification, if parties follow the recommendations set forth in this Statement, (i) both Part 1 and Part 2 of this Statement shall apply to a EURLIBOR/EURIBOR Basis Swap which has August 28, 2013 as a Reset Date for a Floating Amount thereunder, and (ii) Part 2 shall not apply to a Transaction which uses a EURIBOR FRO if such Transaction is not a EURLIBOR/EURIBOR Basis Swap.

Important Note and Disclaimer

This document does not constitute legal, accounting or financial advice and describes the market consensus among swap market participants who participated in ISDA Rates Implementation Group meetings which convened to discuss the matters described in this Statement. This group proposed that ISDA issue this Statement as a best practice for market participants to affected Transactions.. Parties are not bound by this Statement and should consider its application to their Transactions. Nothing herein is contractually binding on any parties or amends any Transaction or Confirmation. Any capitalized terms used but not defined herein shall have the meaning for such term set forth in the 2006 ISDA Definitions.

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