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Heading for Letter<sup>1</sup>

[Letterhead of Party A]

[Date]

**Transaction**

[Name and Address of Party B]

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Heading of Telex<sup>1</sup>

Telex

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: Credit Swap Transaction

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Dear :

The purpose of this [letter agreement/telex] (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). [This Confirmation constitutes a "Confirmation" as referred to in the ISDA<sup>®</sup> Master Agreement specified below.]<sup>1</sup>

[The definitions and provisions contained in the 1991 ISDA Definitions (as amended by the 1997 Supplement) (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.]<sup>1</sup>

[This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of [date], as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.]<sup>2</sup>

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<sup>1</sup> Include if applicable.

<sup>2</sup> Include if applicable. If the parties have not yet executed, but intend to execute, an ISDA Master Agreement include, instead of this paragraph, the following: "This Confirmation evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of the ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form"), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this Confirmation will supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Confirmation except as expressly modified below. Until we execute and deliver that agreement, this Confirmation, together with all other documents referring to the ISDA Form (each a "Confirmation") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a

The terms of the Transaction to which this Confirmation relates are as follows:

1. General Terms:

Trade Date:	[            ]
Effective Date:	[            ]
Termination Date:	The Scheduled Termination Date.  If a [Credit Event Notice][and Notice of Publicly Available Information] [has][have] been delivered on or before [the date that is [fourteen] calendar days after] the Scheduled Termination Date and the Conditions to Payment have been satisfied, the Termination Date shall be the [Cash Settlement Date][or][Physical Settlement Date][or][Final Delivery Date][, as the case may be].
Scheduled Termination Date:	[            ]
Floating Rate Payer:	[Party A][Party B] (the "Seller")
Fixed Rate Payer:	[Party A][Party B] (the "Buyer")
Calculation Agent:	[            ] <sup>3</sup>
Calculation Agent City:	[            ]
Business Day:	[            ]
Business Day Convention:	[Following][Modified Following][Preceding] (which shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Reference Entity:	[Specify Reference Entity] and any Successors.

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Confirmation), shall supplement, form a part of, and be subject to, an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule except for the election of [English Law][the laws of the State of New York] as the governing law and [specify currency] as the Termination Currency) on the Trade Date of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction."

<sup>3</sup> If the Calculation Agent is a third party, the parties may wish to consider any documentation necessary to confirm its undertaking.

Reference Obligation[s]:

[Specify Reference Obligation[s]]

[The obligation[s] identified as follows:

Primary Obligor: [ ]  
Guarantor: [ ]  
Maturity: [ ]  
Coupon: [ ]  
CUSIP/ISIN: [ ]  
Original Issue Amount: [ ]  
Initial Price: [ %]  
Initial Spread: [ %]<sup>4]</sup>

Reference Price: [ %]

2. Fixed Payments:

[Fixed Rate Payer  
Calculation Amount:]<sup>5</sup> [ ]

Fixed Payment Date[s]: [ ] [Each [ ], [ ], [ ] and  
[ ] in each year and the Termination Date,  
commencing on [ ] and ending on the Termination  
Date.]

[Fixed Rate:] [ %]

[Fixed Rate Day Count Fraction:] [ ]

[Fixed Amount:] [ ]

3. Floating Payment:

Floating Rate Payer  
Calculation Amount:<sup>5</sup> [ ]

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<sup>4</sup> If Price Materiality applies, then specify Initial Price and Initial Spread. If Spread Materiality applies, then specify Initial Spread. If neither Price Materiality nor Spread Materiality applies, then specify neither Initial Price nor Initial Spread.

<sup>5</sup> Specify an amount or, for amortizing Transactions, refer to amounts listed in an amortization schedule.

Conditions to Payment:

The Conditions to Payment shall be satisfied when:

(a) [Buyer][or][Seller] has delivered a Credit Event Notice[.][; and]

[(b) Such party has delivered a Notice of Publicly Available Information[.][; and]]<sup>6</sup>

[(c) The Calculation Agent has determined that Materiality Exists.]

Upon satisfaction of the Conditions to Payment with respect to a Credit Event, (i) the Calculation Agent shall notify the parties of such satisfaction and (ii) the parties shall comply with the Settlement Terms.

Credit Event:

The following Credit Event[s] shall apply to this Transaction:

[Bankruptcy]  
[Credit Event Upon Merger]  
[Cross Acceleration] [or] [Cross Default]  
[Downgrade]  
[Failure to Pay]  
[Repudiation]  
[Restructuring]

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, (c) the failure of the Reference Entity to make any payment as a result of compliance with any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority.

Obligation(s):

With respect to the Reference Entity, [any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of money] [any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money] [the following obligations: ][the Reference Obligation[s]].

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<sup>6</sup> If parties do not require a Notice of Publicly Available Information, they may wish to require that the Credit Event Notice take the form of a certification and include any details that the other party may reasonably require.

[Public Sources:]	[            ]
[Specified Number:]	[            ]
[Default Requirement:] time of the Credit Event.]	[[            ] or its equivalent in any other currency at the
[Payment Requirement:] time of the Credit Event.]	[[            ] or its equivalent in any other currency at the
[Rating Agency(ies):]	[            ]
[Specified Rating:]	[            ]
[Downgrade Obligation:]	[            ]

[4. Materiality Terms:]<sup>7</sup>

Materiality Requirement:	[Price][Spread] <sup>8</sup> Materiality shall apply [to the Credit Event[s] specified above.][only to the following specified Credit Event[s]]:
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[Bankruptcy]  
[Credit Event Upon Merger]  
[Cross Acceleration] [or] [Cross Default]  
[Downgrade]  
[Failure to Pay]  
[Repudiation]  
[Restructuring]]

[Price Materiality Terms:]

[Price Decline Requirement:]	[            % ]
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[Mark to Market Rate:]	[USD-LIBOR-BBA with a Designated Maturity of three months]
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<sup>7</sup> Include if Materiality applies.

<sup>8</sup> The parties may wish to have Price Materiality and Spread Materiality apply to different Credit Events.

[Spread Materiality Terms:]

[Spread Widening Requirement:] [            % ]

[Interpolated Swap Rate:] With respect to a Reference Obligation, the rate for a [USD] mid-market fixed for floating interest rate swap with a Term equal to the remaining maturity of that Reference Obligation and for which swap the Floating Rate is [USD-LIBOR-BBA with a Designated Maturity of three months] (the "Swap"). The fixed rate for the Swap shall be determined on the basis of linear interpolation of the rates quoted on a [semi-annual 30/360 basis] for [USD] interest rate swaps with Terms closest to the Term of the Swap which appear on [Telerate Page 19901] as of the Valuation Time. If no such rates appear on [Telerate Page 19901], then the Interpolated Swap Rate shall be determined by the Calculation Agent.]

Materiality Method: [Average][Beginning Period][End Period][Simple] and [Individual][Joint]

5. Settlement Terms:

Settlement Method: [Cash] [Physical] [Upon written notice to the other party on or before the [final] Valuation Date, [Buyer][or][Seller] may elect either Cash Settlement or Physical Settlement. If no such election is made, Cash Settlement shall apply.]

[Valuation Date]:<sup>9</sup> With respect to a particular Credit Event, the day that is [   ] calendar days after the delivery of a Credit Event Notice [and a Notice of Publicly Available Information] for such Credit Event [and each [   ] successive calendar day thereafter, ending on and including the [   ] such Valuation Date].

Valuation Time:<sup>10</sup> [            ]

Quotation Method:<sup>10</sup> [Bid] [Offer] [Mid-market]

Quotation Amount:<sup>10</sup> [            ]

Dealers: At least [five] leading dealers in obligations of the type of the Reference Obligation[s] including each of [Specify Dealers]. The Calculation Agent may substitute any other dealer(s) for one or more of the foregoing after consultation with the parties.

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<sup>9</sup> Include if the Cash Settlement Amount is not a fixed amount or if Materiality applies.

<sup>10</sup> Include if the Cash Settlement Amount is not a fixed amount.

[Cash Settlement Terms:]<sup>11</sup>

Cash Settlement: If the Conditions to Payment have been satisfied and Cash Settlement is elected or deemed to apply, Seller shall pay to Buyer the Cash Settlement Amount on the Cash Settlement Date.

Cash Settlement Date: [[ ] Business Days following the [last] Valuation Date.]<sup>12</sup>  
[[ ] Business Days following the satisfaction of all Conditions to Payment.]<sup>13</sup>

Cash Settlement Amount: [The greater of (a) Floating Rate Payer Calculation Amount x (Reference Price - Final Price) and (b) zero]

[Specify amount]

Valuation Method:<sup>14</sup>

[Average Blended Market][Average Market]  
[Blended Market][Highest][Market]

[Physical Settlement Terms:]<sup>15</sup>

Physical Settlement: If the Conditions to Payment have been satisfied and Physical Settlement is elected, Buyer shall Deliver to Seller the Portfolio and Seller shall pay to Buyer the Physical Settlement Amount on the Physical Settlement Date. For the purposes of the foregoing, any Delivery under this provision shall be made on a delivery versus payment basis.

Physical Settlement Date: [[ ] Business Days following the satisfaction of all Conditions to Payment]

Physical Settlement Amount: [Floating Rate Payer Calculation Amount x Reference Price][Floating Rate Payer Calculation Amount]

Portfolio: [Deliverable Obligations with [an outstanding principal balance][a stated principal amount] [a commitment amount] equal to the Floating Rate Payer Calculation Amount.]<sup>16</sup>

[Deliverable Obligations with Due and Payable payment obligations equal to the Floating Rate Payer Calculation Amount.]

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<sup>11</sup> Include if Cash Settlement applies or is an option.

<sup>12</sup> Include if the Cash Settlement Amount is not a fixed amount.

<sup>13</sup> Include if the Cash Settlement Amount is a fixed amount.

<sup>14</sup> Include if the Cash Settlement Amount is not a fixed amount.

<sup>15</sup> Include if Physical Settlement applies or is an option.

<sup>16</sup> Parties may instead wish to specify that the Portfolio will consist of: "Deliverable Obligations, the sum of whose aggregate [outstanding principal balance][stated principal amount], accrued but unpaid interest and other unpaid but due amounts is equal to the Floating Rate Payer Calculation Amount."

Deliverable Obligations:

[The Reference Obligation(s).]

[Any obligations of the Reference Entity, either directly or in its capacity as unconditional guarantor, that rank equal in priority of payment with the Reference Obligation and (a) are denominated and payable only in the lawful currency of [specify country], (b) are repayable in an amount equal to their respective stated principal amounts, (c) are not repayable in an amount determined by reference to any formula or index, (d) the repayment of which is not subject to any contingency, (e) bear simple interest at either a fixed rate or a floating rate that is paid on a periodic basis and computed on a bench mark interest rate plus or minus a spread, if any and (f) do not have a remaining maturity of greater than [specify number] years.]

[Any Due and Payable obligations of the Reference Entity, either directly or in its capacity as unconditional guarantor, that rank equal in priority of payment with the Reference Obligation and are denominated in the lawful currency of [specify country].]

[Deliverable Obligations shall not include any obligation (a) if the obligation of the Reference Entity thereunder is subject to any counterclaim, defense or right of setoff by the Reference Entity, (b) if transfer thereof to Seller would require or cause Seller to assume or would subject Seller to any obligation or liability (other than immaterial, nonpayment obligations), unless Seller receives an appropriate indemnity from Buyer with respect to such obligation or liability satisfactory to Seller, (c) if there is any significant restriction in the financial markets in the trading of the obligation, other than as a direct or indirect consequence of the creditworthiness of the Reference Entity or (d) that is a bearer instrument.]

[Escrow:]

[Either party may require that Physical Settlement take place through the use of a third party escrow agent. Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the party requiring such arrangement.]

6. Notice and Account Details:

Telephone, Telex and/or Facsimile Numbers and Contact Details for Notices:

Buyer:

Seller:

Account Details

Account Details of Buyer: [ ]

Account Details of Seller: [ ]

## 7. Other Terms:

[( a) Changes with respect to any Reference Obligation. In the event that, in the opinion of the Calculation Agent, (i) the aggregate outstanding principal amount of any Reference Obligation has been materially reduced by redemption or otherwise (other than due to any regularly scheduled amortization or prepayments), (ii) if any Reference Obligation is an obligation guaranteed by a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the guarantee of that Reference Entity is no longer a valid and binding obligation of the guarantor enforceable in accordance with its terms or (iii) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of the Reference Entity, then the Calculation Agent, after consultation with the parties, shall identify one or more substitute obligations that rank equal in priority of payment with such Reference Obligation and that preserve the economic equivalent of the payment obligations of the parties to this Transaction and are issued or guaranteed (as to both principal and interest) by the Reference Entity to replace the Reference Obligation. Upon notice to the parties of a substitute obligation having been identified by the Calculation Agent, such substitute obligation shall without further action replace the Reference Obligation. [The Reference Price of such Reference Obligation shall be adjusted by the Calculation Agent if adjustment is necessary in order to preserve the economic attributes of this Transaction.]]

[( a) Termination/ Removal of Reference Obligation. If this Transaction involves a single Reference Obligation and such Reference Obligation is redeemed in whole (except in connection with an Obligation Exchange) or otherwise matures, then, notwithstanding the specified Termination Date, this Transaction shall terminate and such redemption date shall be deemed to be the Termination Date and the parties' obligations to each other hereunder shall cease. If this Transaction involves a single Reference Obligation and such Reference Obligation is redeemed in whole in connection with an Obligation Exchange, the Calculation Agent, after consultation with the parties, shall identify a substitute obligation that ranks equal in priority of payment with such Reference Obligation and that preserves the economic equivalent of the payment obligations of the parties to this Transaction and is issued or guaranteed (as to both principal and interest) by the Reference Entity to replace the Reference Obligation. Upon notice to the parties of a substitute obligation having been identified by the Calculation Agent, such substitute obligation shall without further action replace the Reference Obligation. If this Transaction involves more than one Reference Obligation and any such Reference Obligation is redeemed in whole (except in connection with an Obligation Exchange) or otherwise matures, then such obligation will cease to be a Reference Obligation.]<sup>17</sup>

### (b) Additional Representations and Agreements of the Parties.

(i) Additional Representations. Each party represents to the other party on the Trade Date that:–

(A) In connection with this Transaction, neither the other party nor any of the other party's Affiliates<sup>18</sup> has made any representation whatsoever with respect to the Reference Entity, any Reference Obligation, or any guarantor of any Reference Obligation (a "Guarantor") on which it is relying or is entitled to rely.

(B) It is entering into the Transaction for either investment, financial intermediation, hedging or other commercial purposes.

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<sup>17</sup> If the alternate versions of (a) are used in combination, parties should consider what modifications to make.

<sup>18</sup> Unless modified in the Schedule or in this Confirmation, "Affiliate" shall have the meaning set forth in Section 14 of the 1992 ISDA Master Agreement (Multicurrency- Cross Border) and Section 12 of the 1992 ISDA Master Agreement (Local Currency- Single Jurisdiction).

(ii) Additional Agreements. Each party agrees with the other that, so long as either party has or may have any obligation under this Transaction:–

(A) Subject to the Conditions to Payment, the parties will be obligated to comply with the Settlement Terms of this Transaction, irrespective of the existence or amount of the parties' credit exposure to the Reference Entity.

(B) This Transaction does not create either a direct or indirect obligation of the Reference Entity or any Guarantor or a direct or indirect participation in any obligation of the Reference Entity or any Guarantor owing to such party.

(C) Each party and its Affiliates and the Calculation Agent may deal in each Reference Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Reference Entity, any Affiliate of the Reference Entity, any other person or entity having obligations relating to the Reference Entity or any Guarantor and may act with respect to such business in the same manner as if this Transaction did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to a Credit Event) on the Reference Entity, any Guarantor or the position of the other party to this Transaction or otherwise.

(D) Each party and its Affiliates and the Calculation Agent may, whether by virtue of the types of relationships described herein or otherwise, at the date hereof or at any time hereafter, be in possession of information in relation to the Reference Entity or any Guarantor that is or may be material in the context of this Transaction and that may or may not be publicly available or known to the other party. This Transaction does not create any obligation on the part of such party and its Affiliates to disclose to the other party any such relationship or information (whether or not confidential).

[(E) Unless the parties are otherwise bound or subject to a confidentiality agreement, any information obtained from the other party with respect to this Transaction is not subject to any obligation of confidentiality.]

[(iii) Concerning the Calculation Agent.]<sup>19</sup>

(A) The Calculation Agent shall, as soon as practicable, notify the parties in writing of each quote (including the bid and offer quotations received from each Dealer) that it receives in connection with the calculation of the Final Price and a written computation showing its calculation of the Final Price and, if applicable, supporting its determination of whether Materiality Exists.

(B) Each party agrees that the Calculation Agent is not acting as a fiduciary for or as an advisor to either party in respect of its duties as Calculation Agent in connection with this Transaction.

[(iv) Additional Representation for Physical Settlement.]<sup>20</sup>

Unless the Seller has specified alternative terms of Delivery, Buyer represents on the Physical Settlement Date and on any subsequent date that Physical Settlement is effected (which representation shall survive the Physical Settlement Date and any such subsequent date) that it has conveyed (or, if applicable, caused to be conveyed) to Seller (or, if applicable, its designee) all right, title and interest in the Portfolio free and clear of all claims, charges, liens

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<sup>19</sup> Include if the Calculation Agent is a party to the Transaction.

<sup>20</sup> Include if Physical Settlement applies or is an option.

and encumbrances (including without limitation any counterclaim, defense or right of setoff by or of the Reference Entity).

[(v) Additional Agreements for Physical Settlement.]

(A) Buyer agrees (which agreement shall survive the Termination Date) to execute, deliver, file and record any specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by Seller in connection with Buyer's Delivery of the Portfolio,

(B) If, due to an event beyond the control of the Buyer (including without limitation, failure of the relevant clearance system or due to any law, regulation or court order, but not including market conditions), it is impossible or illegal for the Buyer to Deliver any portion of the Portfolio on the Physical Settlement Date, then on such date the Buyer shall (1) Deliver that portion of the Portfolio that is Deliverable versus payment by the Seller of that portion of the Physical Settlement Amount that corresponds to such portion of the Portfolio and (2) provide a description in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Buyer shall Deliver (or designate the Delivery of) the portion of the Portfolio which has not been Delivered versus payment by the Seller of that portion of the Physical Settlement Amount that corresponds to such portion of the Portfolio. If, upon the occurrence of any such impossibility or illegality, the entire Portfolio is not Delivered to the Seller (or any of its designees) within 30 calendar days of the Physical Settlement Date (the "Final Delivery Date"), a Termination Event with the Buyer as the sole Affected Party will be deemed to have occurred, with this Transaction as the sole Affected Transaction. For purposes of that Termination Event, it shall be deemed that Market Quotation cannot be determined and Loss shall apply and the Early Termination Date shall be the first Business Day following the Final Delivery Date.

(C) If, due to an event beyond the control of the Seller (including without limitation due to any law, regulation or court order), it is impossible or illegal for the Seller to take Delivery of any portion of the Portfolio on the Physical Settlement Date, then on such date the Seller shall (1) take Delivery of that portion of the Portfolio for which it is possible and legal to take Delivery versus payment of that portion of the Physical Settlement Amount that corresponds to such portion of the Portfolio and (2) provide a description in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Seller shall take Delivery (or designate taking the Delivery) of the portion of the Portfolio which has not been Delivered versus payment of that portion of the Physical Settlement Amount that corresponds to such portion of the Portfolio. If, upon the occurrence of any such impossibility or illegality, the entire Portfolio is not Delivered to the Seller (or any of its designees)[within 30 calendar days of the Physical Settlement Date (the "Final Delivery Date")][by the Final Delivery Date]<sup>21</sup>, a Termination Event with the Seller as the sole Affected Party will be deemed to have occurred, with this Transaction as the sole Affected Transaction. For purposes of that Termination Event, it shall be deemed that Market Quotation cannot be determined and Loss shall apply and the Early Termination Date shall be the first Business Day following the Final Delivery Date.

(D) If an event which would otherwise constitute or give rise to an impossibility or illegality under either (B) or (C) immediately above also constitutes an Illegality, it will be governed by (B) or (C) immediately above, as applicable, and will not constitute an Illegality.

(E) Either party (the "designator") may designate any of its Affiliates (the "designee") to Deliver or take Delivery, as the case may be, and otherwise to perform such party's obligations to Deliver or take Delivery, as the case may be, in respect of this Transaction and the designee may assume such obligations. Such designation shall not relieve the designator of any of its obligations hereunder. If the designee shall have performed the obligations of

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<sup>21</sup> Include if Final Delivery Date is previously defined.

the designator hereunder, then the designator shall be discharged of its obligations to the other party to the extent of such performance. If, as a result of such designation, (1) it would be illegal due to any applicable law or regulation affecting the transfer of Deliverable Obligations for the designee to so Deliver or take Delivery, (2) such Delivery would give rise to any Tax or (3) such Delivery would give rise to any loss or cost to the non-designating party, then such designation may not be made.

(F) Notwithstanding any other provision of this Agreement, if any Stamp Tax is payable in connection with the Delivery of (1) the Reference Obligation (or other Deliverable Obligations of the same type as the Reference Obligation), payment of such Stamp Tax shall be made by the party that would in the ordinary course bear such cost under a contract for purchase of the Reference Obligation or (2) other Deliverable Obligations, payment of such Stamp Tax shall be made by Buyer.

(c) Dispute Resolution. In the event that a party (the "Disputing Party") does not agree with any determination made (or the failure to make any determination) by the Calculation Agent or the other party (the "Determining Party"), the Disputing Party shall have the right to require that the Determining Party have such determination made by a disinterested third party that is a dealer of derivative obligations and that is, or whose Affiliates are, dealers in obligations of the type of the Reference Obligation but is not an Affiliate of either party. Such dealer shall be selected by the Calculation Agent in its reasonable discretion after consultation with the parties. Any exercise by the Disputing Party of its rights hereunder must be in writing and shall be delivered to the Determining Party as soon as possible but no later than the Business Day following the Business Day on which the Determining Party notifies the Disputing Party of any determination made (or of the failure to make any determination). Any determination by a disinterested third party shall be binding in the absence of manifest error and shall be made as soon as possible but no later than within five Business Days of the Disputing Party's exercise of its rights hereunder. The costs of such disinterested third party shall be borne by (i) the Disputing Party if the disinterested third party substantially agrees with the Determining Party's determination or (ii) the non-Disputing Party if the disinterested third party does not substantially agree with the Determining Party. Determinations as to any amounts due shall (if possible) be calculated retrospectively with reference to the actual amount that was due on any Cash Settlement Date or Physical Settlement Date, and shall not account for subsequent changes with respect to any Reference Obligation. Interest on any amounts due that are subject to dispute shall be paid from (and including) the date of nonpayment to (but excluding) the date such amount is paid, at the [Default][ Termination] Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed,

(d) Interpretation. Each reference to the singular shall include the plural and vice versa.

[( e) Headings. The headings used in this Confirmation are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Confirmation.]<sup>22</sup>

[( f) Transfer. Neither party may transfer this Transaction or any interest in or under this Transaction without the prior written consent of the nontransferring party and any purported transfer without such consent will be void ]<sup>22</sup>

[( g) Governing Law. This Confirmation will be governed by and construed in accordance with [English law] [the laws of the State of New York (without reference to choice of law doctrine)].<sup>22</sup>

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<sup>22</sup> Delete if this Confirmation is part of an ISDA Master Agreement.

## 8. Definitions:

### (a) Credit Event Definitions:

*Bankruptcy* means the Reference Entity:

(i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

*Credit Event Upon Merger* means the Reference Entity consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of the Reference Entity immediately prior to such action.

*Cross Acceleration* means the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) which has resulted in such Obligations becoming due and payable before they would otherwise have been due and payable.

*Cross Default* means the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) which has resulted in such Obligations becoming capable at such time of being declared due and payable before they would otherwise have been due and payable.

*Downgrade* means the Credit Rating is lower than the Specified Rating or the Downgrade Obligation is no longer rated by any Rating Agency.

*Failure to Pay* means, after giving effect to any applicable grace period (under any terms in effect at the Trade Date), the failure by the Reference Entity to make, when due, any payments equal to or exceeding the Payment Requirement (if any) under any Obligations.

*Repudiation* means the Reference Entity disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, any Obligation in any material respect.

*Restructuring* means a waiver, deferral, restructuring, rescheduling, standstill, moratorium, Obligation Exchange or other adjustment occurs with respect to any Obligation of the Reference Entity and the effect of such is that the terms of such Obligation are, overall, materially less favorable from an economic, credit or risk perspective to any holder of such Obligation.

(b) General Definitions:

*Calculation Agent* means the party to the Transaction (or a third party) designated as such for the Transaction. The Calculation Agent's calculations and determinations shall be made in good faith, in a commercially reasonable manner and be binding in the absence of manifest error.

*Credit Event Notice* means an irrevocable notice (which may be oral, including by telephone) to the parties and the Calculation Agent that describes a Credit Event that occurred on or after the Effective Date and on or prior to the Scheduled Termination Date. Any notice given orally, including by telephone, will be effective when actually received by the intended recipient. A Credit Event Notice may be delivered between 9:00 a.m. and 4:00 p.m. in the Calculation Agent City on a Business Day. The notice given must contain a description in reasonable detail of the facts asserted. If the Credit Event Notice is delivered after 4:00 p.m. in the Calculation Agent City on a Business Day, then that notice will be deemed delivered on the next following Business Day. If the Credit Event Notice is delivered orally, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the validity of that oral notice. If that written confirmation is not received within such time, the party obligated to deliver that confirmation will be deemed to have satisfied its obligation to deliver it at the time that a written confirmation of the oral notice is received or otherwise deemed effective.

*Credit Rating* means the rating assigned to any Downgrade Obligation by any Rating Agency (irrespective of whether such rating is under review with positive or negative implications). If a Downgrade Obligation no longer exists, the Calculation Agent shall (after consultation with the parties) identify a substitute Downgrade Obligation that ranks equal in priority of payment with the Downgrade Obligation and which preserves the economic equivalent of the payment obligations of the parties to this Transaction and is issued or guaranteed (as to both principal and interest) by the Reference Entity. Upon notice to the parties of such substitution, the substitute obligation shall without further action replace the Downgrade Obligation.

*Final Price* means the price determined in accordance with the specified Valuation Method.

*Market Value* means, in accordance with the Quotation Method, the percentage equal to the arithmetic mean of quotations (expressed as a percentage) obtained from Dealers with respect to a Valuation Date in the manner provided below. In consultation with the parties, the Calculation Agent shall determine, based on then current market practice, whether such quotations shall include or exclude accrued but unpaid interest and all quotations shall be obtained in accordance with this determination. In accordance with the foregoing, the Calculation Agent shall require each Dealer to provide firm bid and offer quotations for an amount of the Reference Obligation equal to the Quotation Amount and to the extent reasonably practicable as of the Valuation Time on such Valuation Date. If more than three Dealers provide quotations on such date, the Market Value shall be the arithmetic mean of such quotations without regard to the quotations having the highest and lowest values. If exactly three Dealers provide quotations, the Market Value shall be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If exactly two Dealers provide quotations, the Market Value shall be the arithmetic mean of such quotations. If fewer than two Dealers provide quotations, then the Market Value shall be an amount as determined by the Calculation Agent on the next Business Day on which at least two Dealers provide quotations. If the Calculation Agent is unable to calculate the Market Value prior to the fifth Business Day following the applicable Valuation Date, then the Calculation Agent shall determine the Market Value for such Valuation Date in its reasonable discretion.

*Obligation Exchange* means the mandatory transfer (other than in accordance with the terms in effect at the Trade Date) of any security, obligation or asset (other than a cash payment in an amount equal to the then effective redemption price of such security or obligation in accordance with the terms in effect at the Trade Date) to holders of Obligations in exchange for such Obligations. When so transferred, such securities, obligations or assets will be deemed to be Obligations.

*Quotation Method:* The following Quotation Methods may be specified:

*Bid* means that only the bid quotations provided by Dealers shall be used in the calculation of Market Value.

*Offer* means that only the offer quotations provided by Dealers shall be used in the calculation of Market Value.

*Mid-market* means that only the arithmetic mean of the bid and offer quotations provided by Dealers that have provided both bid and offer quotations shall be used in the calculation of Market Value.

*Successor* means a direct or indirect successor to the Reference Entity that assumes all or substantially all of the Obligations thereof by way of merger, consolidation, amalgamation or otherwise, whether by operation of law or pursuant to any agreement.

*Valuation Method:* The following Valuation Methods may be specified for transactions with only one Reference Obligation and only one Valuation Date:

*Market* means Market Value on the Valuation Date.

*Highest* means, using quotations provided in accordance with the requirements of the definition of Market Value, but notwithstanding its reference to arithmetic mean and the discarding of high and low quotations, the highest quotation received on the Valuation Date.

The following Valuation Methods may be specified for transactions with only one Reference Obligation and more than one Valuation Date:

*Average Market* means the unweighted arithmetic mean of the Market Values from each Valuation Date.

*Highest* means, using quotations provided in accordance with the requirements of the definition of Market Value, but notwithstanding its reference to arithmetic mean and the discarding of high and low quotations, the highest quotation received on any Valuation Date.

The following Valuation Method may be specified for transactions with more than one Reference Obligation and only one Valuation Date:

*Blended Market* means the unweighted arithmetic mean of the Market Values for each Reference Obligation on the Valuation Date.

The following Valuation Method may be specified for transactions with more than one Reference Obligation and more than one Valuation Date:

*Average Blended Market* means the unweighted arithmetic mean of the prices determined in accordance with the Blended Market Valuation Method from each Valuation Date.

[(c) Publicly Available Information Definitions:]<sup>23</sup>

*Notice of Publicly Available Information* means an irrevocable notice (which may be oral, including by telephone) to the parties and the Calculation Agent that confirms the occurrence of a Credit Event described in a Credit Event Notice with Publicly Available Information. Any notice given orally, including by telephone, will be effective when actually received by the intended recipient. A Notice of Publicly Available Information may be delivered between 9:00 a.m. and 4:00 p.m. in the Calculation Agent City on a Business Day. The notice given must contain a description in reasonable detail of the facts asserted. If the Notice of Publicly Available Information is delivered after 4:00 p.m. in the Calculation Agent City on a Business Day, then that notice will be deemed delivered on the next following Business Day. If the Notice of Publicly Available Information is delivered orally, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the validity of that oral notice. If that written confirmation is not received within such time, the party obligated to deliver the confirmation will be deemed to have satisfied its obligation to deliver it at the time that a written confirmation of the oral notice is received or otherwise deemed effective. If a Credit Event Notice confirms the existence or occurrence of a Credit Event with Publicly Available Information, such notice will also be deemed to be a Notice of Publicly Available Information.

*Publicly Available Information* means information that reasonably confirms any of the assertions made in a Credit Event Notice and that has been published in or on not less than the Specified Number of internationally recognized published or electronically displayed news sources including each Public Source (if any), regardless of whether the reader or user thereof pays a fee to obtain such information. If, however, either of the parties hereto or any of their respective Affiliates is cited as the sole source for such information, then such information shall not be deemed to be Publicly Available Information. Publicly Available Information need not state that such occurrence has met the subjective criteria specified in certain Credit Events including, without limitation, that such occurrence (i) is material (as required by Restructuring and Credit Event Upon Merger), (ii) qualifies under subclause (ix) of Bankruptcy, (iii) meets the Payment Requirement or Default Requirement (if any) or (iv) is the result of exceeding any applicable grace period.

[(d) Materiality Definitions:]<sup>24</sup>

*Initial Price* means, with respect to any Reference Obligation, the percentage specified in the definition of Reference Obligation as the Initial Price.

*Initial Spread* means, with respect to any Reference Obligation, the percentage specified in the definition of Reference Obligation as the Initial Spread.

*Materiality Exists* means that, in accordance with the specified Materiality Method, the specified Materiality exists.

*Materiality Method*: The following Materiality Methods may be specified:

*Average* means that the specified Materiality exists when determined on the basis of the unweighted arithmetic mean of each Valuation Date's relevant values.

*Beginning Period* means the specified Materiality exists on the first Valuation Date.

*End Period* means the specified Materiality exists on the last Valuation Date.

*Simple* means the specified Materiality exists on any Valuation Date.

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<sup>23</sup> Include if Notice of Publicly Available Information applies as a Condition to Payment.

<sup>24</sup> Include if either Price Materiality or Spread Materiality applies.

In conjunction with the foregoing, the following may also be specified for Transactions involving more than one Reference Obligation:

*Individual* means that the specified Materiality exists with respect to any Reference Obligation.

*Joint* means that the specified Materiality exists with respect to each Reference Obligation.

[Price Materiality Definitions:]<sup>25</sup>

*Price Materiality* exists on any Valuation Date with respect to any Reference Obligation if:

(i) the Market Value of a floating rate Reference Obligation is below its Initial Price by more than the Price Decline Requirement; or

(ii) the sum of the Market Value of a fixed rate Reference Obligation and its Interest Rate Adjustment Amount is below its Initial Price by more than the Price Decline Requirement.

*Interest Rate Adjustment Amount* means, with respect to any Reference Obligation, the difference between (i) the Mark to Market Value and (ii) 100% minus the Initial Price.

*Mark to Market Value* means, in the determination of the Calculation Agent, with respect to any Reference Obligation, on any day, the mid-market quotation of any mark to market value payable on that day (expressed as a percentage of the notional amount thereof), of a hypothetical interest rate swap commencing on the Effective Date between a hypothetical party ("Party A") and a counterparty with the highest long term senior debt rating of each Rating Agency, which swap has a notional amount equal to the Floating Rate Payer Calculation Amount and under which Party A (i) receives the Mark to Market Rate plus the Initial Spread and (ii) pays a fixed interest amount equal in amount and timing to the coupons on the Reference Obligation. Under that swap, if Party A would be due to pay such mark to market value, the Mark to Market Value will be negative and, if Party A would be due to receive such mark to market value, the Mark to Market Value will be positive.

[Spread Materiality Definitions:]<sup>26</sup>

*Spread Materiality* exists on any Valuation Date with respect to any Reference Obligation if the Final Spread is greater than the sum of the Initial Spread and the Spread Widening Requirement.

*Final Spread* means, with respect to any Reference Obligation, the difference between the Reference Obligation Yield and the Interpolated Swap Rate.

*Reference Obligation Yield* means, on any day, with respect to any Reference Obligation, the yield to maturity (which maturity shall be the stated maturity of that Reference Obligation or, if it has been accelerated, the accelerated maturity) of that Reference Obligation determined in accordance with accepted financial practice based upon a price equal to the Market Value of that Reference Obligation and expressed as a percentage.

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<sup>25</sup> Include if Price Materiality applies.

<sup>26</sup> Include if Spread Materiality applies.

[(e) Physical Settlement Definitions:]<sup>27</sup>

*Deliver* means to deliver, novate, transfer, assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Portfolio to Seller free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defense or right of setoff by or of the Reference Entity). "Delivery", "Deliverable" and "Delivered" will be construed accordingly.

*Due and Payable* means, with respect to a Deliverable Obligation, that all payment obligations thereunder have been declared to be, and will as of the Physical Settlement Date be, due and payable (other than payment obligations in respect of default interest, indemnities, tax gross-ups and other similar amounts that are not and will not be due and payable as of the Physical Settlement Date).

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<sup>27</sup> Include if Physical Settlement is specified to apply or is an option.

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Closing for Lettering<sup>28</sup>

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter or telex substantially similar to this letter, which letter or telex sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms.

Yours sincerely,  
[PARTY A]

By: \_\_\_\_\_  
Name:  
Title:

Confirmed as of the date  
first above written:

[PARTY B]

By: \_\_\_\_\_  
Name:  
Title:

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Closing for Telex<sup>28</sup>

Please confirm that the foregoing correctly sets forth the terms of our agreement by sending to us a letter or telex substantially similar to this telex, which letter or telex sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms, or by sending to us a return telex substantially to the following effect:

"Re:

We acknowledge receipt of your telex dated [ ] with respect to the above-referenced Transaction between [Party A] and [Party B] with a Trade Date of [ ] (reference number[ ]) and a Scheduled Termination Date of [ ] and confirm that such telex correctly sets forth the terms of our agreement relating to the Transaction described therein. Very truly yours, [Party B], by [specify name and title of authorized officer]."

Yours sincerely,  
[PARTY A]

By: \_\_\_\_\_  
Name:  
Title:

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<sup>28</sup> Include if applicable.