

ISDA®

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

between

..... and
("Party A") ("Party B")

made on

relating to the

ISDA Master Agreement

dated as of between Party A and Part B

This Annex is a Credit Support Document with respect to both parties in relation to the ISDA Master Agreement referred to above (as amended and supplemented from time to time, the "Agreement").

Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in the Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the provisions of the Schedule to the Agreement, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Obligee and Obligor.** All references in this Annex to the "Obligee" will be to either party when acting as a borrower or a secured party and all corresponding references to the "Obligor" will be to the other party when acting as a lender or a pledgor.

Paragraph 2. Security Interest

(a) **Loan.** Each party, as the Obligor, hereby lends Lending Collateral to the other party, as the Obligee, as security for its Obligations, and grants to the Obligee the right of Set-off as set forth in Paragraph 8 (a) (iii). On the Early Termination Date of the Agreement, subject to the provisions of Paragraphs 3(b), 4(d) and 8, the Obligee shall return Posted Lending Collateral, free and clear of any lien, charge, mortgage, encumbrance or other security interest to the Obligor; *provided, however,* that where such Posted Lending Collateral is held in the form of securities, the Obligee may repay the Cash equivalent thereof at the option of the Obligee.

(b) **Pledge.** Each party, as the Obligor, hereby grants to the other party, as the Obligee, as security for its Obligations, a first priority continuing security interest (including, without limitation, a statutory pledge (*Shichiken*)) in, and the right of Set-off as set forth in Paragraph 8(a)(iii) against, Posted Pledging Collateral Transferred to the Obligee hereunder, which is given effect to upon the Transfer by the Obligor; *provided* that such security interest shall be a statutory pledge (*Shichiken*), unless otherwise agreed upon between the parties. Upon the Transfer by the Obligor to the Obligee of Posted Pledging Collateral, the security interest granted hereunder in that Posted Pledging Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Obligee on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Obligor's Minimum Transfer Amount, then the Obligor will Transfer to the Obligee Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Delivery Amount**" applicable to the Obligor for any Valuation Date will equal the amount by which:

- (i) the Credit Support Amount
exceeds
- (ii) the Value as of that Valuation Date of all Posted Credit Support held by the Obligee.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Obligor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Obligee's Minimum Transfer Amount, then the Obligee will Transfer to the Obligor Posted Credit Support specified by the Obligor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13); *provided, however*, that where such Posted Credit Support consists of Posted Lending Collateral in the form of securities, the Obligee may Transfer to the Obligor Equivalent Collateral or repay the Cash equivalent of such Posted Lending Collateral. For this purpose, Transfer of Equivalent Collateral or such Cash equivalent shall be deemed to be a return of Lending Collateral. However, solely for the purpose of this Paragraph 3(b), the Obligee's right to repay such Cash equivalent is subject to the prior consent of the Obligor. Unless otherwise specified in Paragraph 13, the "**Return Amount**" applicable to the Obligee for any Valuation Date will equal the amount by which:

- (i) the Value as of that Valuation Date of all Posted Credit Support held by the Obligee
exceeds
- (ii) the Credit Support Amount.

"**Credit Support Amount**" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Obligee's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Obligor, if any, minus (iii) all Independent Amounts applicable to the Obligee, if any, minus (iv) the Obligor's Threshold; *provided however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of the Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Obligor under Paragraphs 3(a) and 5 and of the Obligee under Paragraphs 3(b), 4(d)(ii), 5 and 6(e) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the third Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the fourth Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(e) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(e), following the date of calculation).

(d) **Substitutions.**

(i) Unless otherwise specified in Paragraph 13, upon notice to the Obligee specifying the items of Posted Credit Support to be exchanged, the Obligor may, on any Local Business Day, Transfer to the Obligee substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Obligee will Transfer to the Obligor the items of Posted Credit Support specified by the Obligor in its notice not later than the third Local Business Day following the date on which the Obligee receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Obligee will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the third Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), not later than three Local Business Days after the demand, make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) ***Rights of Obligee to Posted Lending Collateral.*** Until the Obligee is required, pursuant to the terms of this Annex, to return the Posted Lending Collateral, the Obligee shall be entitled to have all of the incidents of ownership of the Posted Lending Collateral, including without limitation, the right to sell, transfer, lend or otherwise dispose of, and to register or record the Posted Lending Collateral in the name of the Obligee, a Custodian (as defined below) or a nominee.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under the Agreement, the Obligee will be deemed to continue to hold all Posted Lending Collateral and, unless the Obligor receives Distributions made thereon with the consent of the Obligee, will be deemed to receive such Distributions, regardless of whether the Obligee has exercised any rights with respect to any Posted Lending Collateral pursuant to Paragraph 6(a).

(b) ***Care of Posted Pledging Collateral.*** Without limiting the Obligee's rights under Paragraph 6(d), the Obligee will exercise at least the same degree of care as it would exercise with respect to its own property to assure the safe custody of all Posted Pledging Collateral. Except as specified in the preceding sentence, the Obligee will have no duty with respect to Posted Pledging Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(c) ***Eligibility to Hold Posted Collateral; Custodians.***

(i) ***General.*** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Obligee will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Obligee. Upon notice by the Obligee to the Obligor of the appointment of a Custodian, the Obligor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Obligee for which the Custodian is acting.

(ii) ***Failure to Satisfy Conditions.*** If the Obligee or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Obligor, the Obligee will, not later than seven Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Obligee if it satisfies those conditions.

(iii) ***Liability.*** The Obligee will be liable for the acts or omissions of its Custodian to the same extent that the Obligee would be liable hereunder for its own acts or omissions.

(d) ***Use of Posted Pledging Collateral.*** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(e) and 8, if the Obligee is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Obligee, then the Obligee shall have the right to:

(i) re-pledge or re-hypothecate any Posted Pledging Collateral it holds, free from any claim or right of any nature whatsoever of the Obligor, to the extent permitted under applicable law; and

(ii) register or record any relevant security interest (including the re-pledge or re-hypothecation granted under Paragraph 6(d)(i) above) over any Posted Pledging Collateral in accordance with any applicable law.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under the Agreement, the Obligee will be deemed to continue to hold all Posted Pledging Collateral and, unless the Obligor has received Distributions made thereon with the consent of the Obligee, will be deemed to receive such Distributions, regardless of whether the Obligee has exercised any rights with respect to any Posted Pledging Collateral pursuant to (i) or (ii) above.

(e) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Obligee receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Obligor not later than the third Local Business Day thereafter any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) ***Interest Amount.*** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Lending Collateral in the form of Cash (all of which may be retained by the

Obligee), the Obligee will Transfer to the Obligor at the times specified in Paragraph 13 the Interest Amount less any applicable withholding tax to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Lending Collateral in the form of Cash and will be subject to the right of Set-off granted under Paragraph 2(a).

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of the Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for three Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(d) and that failure continues for three Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation under this Annex other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) ***Obligee's Rights and Remedies.*** If at any time (1) an Event of Default or Specified Condition with respect to the Obligor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Obligor, then, unless the Obligor has paid in full all of its Obligations that are then due, the Obligee may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available under applicable law with respect to Posted Collateral held by the Obligee;
- (ii) any other rights and remedies available to the Obligee under the terms of Posted Other Support, if any;
- (iii) the right to (1) Set-off any amounts payable by the Obligor with respect to any Obligations against any Posted Collateral without prior notice or formalities that might otherwise be required, in such order as the Obligee may elect, to the extent permitted under applicable law; *provided, however,* that, where such Posted Collateral consists of Posted Lending Collateral in the form of securities, the Obligee is deemed to opt to repay the Cash equivalent pursuant to Paragraph 2(a) for this purpose, and (2) if necessary in connection with such right to Set-off, convert such Posted Lending Collateral into another currency at the time of effecting such Set-off;
- (iv) the right to liquidate any Posted Pledging Collateral held by the Obligee through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Obligor,

including any equity or right of redemption by the Obligor (with the Obligee having the right to purchase any or all of the Posted Pledging Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Pledging Collateral to any amounts payable by the Obligor with respect to any Obligations in that order as the Obligee may elect; and

(v) the right to collect the deposit amount in the case of Posted Pledging Collateral in the form of Cash Deposit and apply the deposit amount to any amounts payable by the Obligor with respect to any Obligations in that order as the Obligee may elect without prior notice or formalities that might otherwise be required.

For the purposes of (a)(iii) above, the Obligee will calculate, value or convert currencies at the time of the Transfer or Set-off, as the case may be, in accordance with Paragraph 11(d).

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Obligor is not entitled to prior notice of any sale of that Posted Collateral by the Obligee, except any notice that is required under applicable law and cannot be waived.

(b) ***Obligor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Obligee, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Obligee has paid in full all of its obligations that are then due under Section 6(e) of the Agreement):

(i) the Obligor may exercise all rights and remedies available under applicable law with respect to Posted Collateral held by the Obligee;

(ii) the Obligor may exercise any other rights and remedies available to the Obligor under the terms of Posted Other Support, if any;

(iii) the Obligee will be obligated immediately to Transfer all Posted Credit Support and the Interest Amount to the Obligor; *provided, however*, that where such Posted Credit Support consists of Posted Lending Collateral in the form of securities, the Obligor may, at the option of the Obligor, demand the Obligee to repay the Cash equivalent of such Posted Lending Collateral notwithstanding Paragraph 2; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Obligor may:

(A) (1) Set-off any amounts payable by the Obligor with respect to any Obligations against any Posted Lending Collateral without prior notice or formalities that might otherwise be required in that order as the Obligor may elect, to the extent permitted under applicable law, and (2) if necessary in connection with such right to Set-off, convert such Posted Lending Collateral into another currency at the time of effecting such Set-off; and

(B) to the extent that Set-off is not effected under (b)(iv)(A) above, the Obligor may withhold payment of any remaining amounts payable by the Obligor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Obligee until that Posted Collateral is Transferred to the Obligor.

For the purposes of (b)(iv)(A) above, the Obligor shall calculate, value or convert currencies at the time of the Transfer or Set-off, as the case may be, in accordance with Paragraph 11(d).

(c) **Deficiencies and Excess Proceeds.** The Obligee will Transfer to the Obligor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Obligor with respect to any Obligations; the Obligor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) **Final Returns.** When no amounts are or thereafter may become payable by the Obligor with respect to any Obligations (except for any potential liability under Section 2(d) of the Agreement), the Obligee will Transfer to the Obligor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Obligor, Transfers Eligible Collateral) that:

- (i) it has the power to grant a security interest in any Eligible Collateral it Transfers as the Obligor and has taken all necessary actions to authorize the granting of that security interest;
- (ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Obligee hereunder, free and clear of any security interest, lien, encumbrance or other restrictions or in case of re-pledge or re-hypothecation it has the right to Transfer all Eligible Collateral which it Transfers to the Obligee hereunder for such purposes without any restriction, as the case may be, other than the security interest granted under Paragraph 2; and
- (iii) upon the Transfer of any Pledging Collateral to the Obligee under the terms of this Annex, the Obligee will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Obligor involved in the Transfer of that Pledging Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest).

Paragraph 10. Expenses

(a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) **Posted Credit Support.** The Obligor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Obligee upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(a) or 6(d), except for transfer, registration, recording or similar taxes that result from the exercise of the rights of the Obligee under Paragraph 6(a) or 6(d).

(c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Obligee or the Obligor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of the Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

- (a) **Default Interest.** An Obligee that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Obligor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest, lien or any other rights or privileges granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Pledging Collateral or an Interest Amount or termination of the loan of the Posted Lending Collateral.
- (c) **Further Protection.** The Obligor will promptly give notice to the Obligee of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Obligor or that could adversely affect the security interest, lien or any other rights or privileges granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Obligee's rights under Paragraphs 6(a) and 6(d).
- (d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations, currency conversions and determinations made by either party, will be made in good faith and in a commercially reasonable manner.
- (e) **Demands and Notices.** All demands and notices made by a party under this Annex will be made as specified in the Notices Section of the Agreement, except as otherwise provided in Paragraph 13.
- (f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.
- (g) **Governing Law and Jurisdiction.** This Annex will be governed by and construed in accordance with Japanese law. With respect to any suit, action or proceedings relating to this Annex, each party irrevocably submits to the jurisdiction of the Japanese courts.

Paragraph 12. Definitions

As used in this Annex:-

"Cash " means the lawful currency of Japan.

"Cash Deposit" means a bank deposit including any interest accrued thereon in the account (**"Deposit Account"**) opened and maintained in a commercial bank located in Japan and agreed upon by the parties.

"Credit Support Amount" has the meaning specified in Paragraph 3.

"Custodian" has the meaning specified in Paragraphs 6(c)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means with respect to Posted Collateral in the form of securities, all principal, interest and other payments and distributions of cash or other property with respect thereto less any applicable withholding tax, regardless of whether the Obligees has disposed of that Posted Collateral under Paragraph 6(a) or 6(d).

"Eligible Collateral" means Lending Collateral and Pledging Collateral.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Equivalent Collateral" means securities of the same issuer, class, series, maturity, coupon rate and principal amount as Lending Collateral or new or different securities which have been exchanged for, converted into or substituted for Lending Collateral.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Obligees by the other party (expressed as a positive number) or by a party that is the Obligees to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of the Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Lending Collateral in the form of Cash held by the Obligees on that day, determined by the Obligees for each such day as follows:

(x) the amount of that Cash on that day; multiplied by

(y) the Interest Rate in effect for that day; divided by

(z) 365

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Lending Collateral in the form of Cash was Transferred to or received by the Obligee) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Lending Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Local Business Day", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of the Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under the Agreement and any additional obligations specified for that party in Paragraph 13.

"Obligee" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Obligor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Pledging Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Posted Collateral" means Posted Lending Collateral and Posted Pledging Collateral.

"Posted Credit Support" means Posted Collateral and Posted Other Support.

"Posted Lending Collateral" means all Lending Collateral or Equivalent Collateral, Distributions, and all proceeds thereof that have been Transferred to or received by the Obligee under this Annex and not Transferred to the Obligor pursuant to Paragraph 3(b), 4(d)(ii) or 6(e)(i) or released by the Obligee under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(e)(ii) will constitute Posted Lending Collateral in the form of Cash.

"Posted Other Support" means all Other Eligible Support Transferred to the Obligee that remains in effect for the benefit of that Obligee.

"Posted Pledging Collateral" means all Pledging Collateral, Distributions, and all proceeds thereof that have been Transferred to or received by the Obligee under this Annex and not Transferred to the Obligor pursuant to Paragraph 3(b), 4(d)(ii) or 6(e)(i) or released by the Obligee under Paragraph 8.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however,* that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Obligee, Obligor or Custodian, as applicable, as the recipient:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that will not be paid or delivered by book-entry or registration, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps, if any, and any other documents necessary to constitute a legally effective loan, transfer or pledge and perfection, as applicable, of the relevant interest to or for the recipient;

(iii) in the case of securities that will be paid or delivered by book-entry, the giving of written or electronic instructions to the relevant depository institution or other entity specified by the recipient, subsequently followed by a written copy thereof to the recipient, sufficient if complied with to result in a legally effective loan, transfer or pledge and perfection, as applicable, of the relevant interest to or for the recipient;

(iv) in the case of securities that will be paid or delivered by registration, the giving of written or electronic demands for the registration to the relevant registrar which is sufficient if complied with to result in a legally effective loan, transfer or pledge and perfection, as applicable, of the relevant interest to or for the recipient;

(v) in the case of Cash Deposit, payment or delivery by wire transfer into the Deposit Account or out of the Deposit Account, as the case may be, together with completion of all requirements necessary to effect a legally effective transfer, or pledge and perfection, as applicable, of the relevant interest to or for the recipient; and

(vi) in the case of Other Eligible Support or Posted Other Support, as specified in Paragraph 13.

"Valuation Agent" has the meaning specified in Paragraph 13.

"Valuation Date" means each date specified in or otherwise determined pursuant to Paragraph 13.

"Valuation Percentage" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"Valuation Time" has the meaning specified in Paragraph 13.

"Value " means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

- (i) Eligible Collateral or Posted Collateral that is:
 - (A) Cash, the amount thereof;
 - (B) JGBs (as defined below) and other securities for which bid and offer quotations are generally available to the Valuation Agent in the over-the-counter market, the bid price quotation obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;
 - (C) a security that is primarily traded on a recognised securities exchange, the closing price on the exchange or, in the absence of such a closing price, the last bid quotation for the securities on the exchange multiplied by the applicable Valuation Percentage, if any; and
 - (D) Cash Deposit, the face amount thereof.
- (ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and
- (iii) Other Eligible Support and Posted Other Support, as specified in Paragraph 13.

Paragraph 13. Elections and Variables

(a) **Security Interest for "Obligations"**. The term **"Obligations"** as used in this Annex includes the following additional obligations:

With respect to Party A:

With respect to Party B:

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) **"Delivery Amount"** has the meaning specified in Paragraph 3(a), unless otherwise specified here:

(B) **"Return Amount"** has the meaning specified in Paragraph 3(b), unless otherwise specified here:

(C) **"Credit Support Amount"** has the meaning specified in Paragraph 3, unless otherwise specified here:

(ii) **Eligible Collateral.** The following items will qualify as **"Eligible Collateral"** for the party specified:

(A)	Lending Collateral			
		Party A	Party B	Valuation Percentage
(1)	negotiable debt obligations issued by the Japanese Government ("JGBs") ¹	[]	[]	[]%
(2)	Cash	[]	[]	[]%
(3)	other :.....	[]	[]	[]%
(B)	Pledging Collateral			
		Party A	Party B	Valuation Percentage
(1)	JGBs ¹	[]	[]	[]%
(2)	Cash Deposit	[]	[]	[]%
(3)	other :.....	[]	[]	[]%

¹ In cases where such JGBs are held in the book-entry system (huriketsu-kokusai), JGBs as "Eligible Collateral" means shares of certificates of JGBs held on a fungible basis.

(iii) **Other Eligible Support.** The following items will qualify as "**Other Eligible Support**" for the party specified:

		Party A	Party B
(A)	[]	[]
(B)	[]	[]

(iv) **Thresholds.**

- (A) **"Independent Amount"** means with respect to Party A: ¥
"Independent Amount" means with respect to Party B: ¥
- (B) **"Threshold"** means with respect to Party A: ¥
"Threshold" means with respect to Party B: ¥
- (C) **"Minimum Transfer Amount"** means with respect to Party A: ¥
"Minimum Transfer Amount" means with respect to Party B: ¥
- (D) **Rounding.** The Delivery Amount and the Return Amount will be rounded [down to the nearest integral multiple of ¥..... /up and down to the nearest integral multiple of ¥, respectively*].

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, for purposes of paragraph 4(d) (ii), the Obligee, and, for purposes of Paragraph 6(e), the Obligee receiving or deemed to receive the Distributions or the Interest Amount, as applicable, unless otherwise specified here:

(ii) **"Valuation Date"** means:

(iii) **"Valuation Time"** means:

[] the close of business in the city of the Valuation Agent on the Valuation Date or date of calculation, as applicable;

[] the close of business on the Local Business Day before the Valuation Date or date of calculation, as applicable;

provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means 11:00 a.m., Tokyo time, on a Local Business Day, unless otherwise specified here:

* Delete as applicable.

(d) **Conditions Precedent and Obligee's Rights and Remedies.** The following Termination Event(s) will be a "*Specified Condition*" for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party):

	Party A	Party B
Illegality	[]	[]
Tax Event	[]	[]
Tax Event Upon Merger	[]	[]
Credit Event Upon Merger	[]	[]
Additional Termination Event(s): ²		
.....	[]	[]
.....	[]	[]

(e) **Substitution.**

(i) "*Substitution Date*" has the meaning specified in Paragraph 4(d)(ii), unless otherwise specified here:

(ii) **Consent.** If specified here as applicable, then the Obligor must obtain the Obligee's consent for any substitution pursuant to Paragraph 4(d): [applicable/inapplicable*]

(f) **Dispute Resolution.**

(i) "*Resolution Time*" means 11:00 a.m., Tokyo time, on the Local Business Day following the date on which notice of the dispute is given under Paragraph 5, unless otherwise specified here:

(ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows:

(iii) **Alternative.** The provisions of Paragraph 5 will apply, unless an alternative dispute resolution procedure is specified here:

² If the parties elect to designate an Additional Termination Event as a "Specified Condition", then they should only designate one or more Additional Termination Events that are designated as such in their Schedule.

* Delete as applicable.

(g) **Holding and Using Posted Collateral.**

(i) **Eligibility to Hold Posted Collateral; Custodians.** Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(c); *provided* that the following conditions applicable to it are satisfied:

- (1) Party A is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions:
.....
- (3)
Initially, the **Custodian** for Party A is

Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(c); *provided* that the following conditions applicable to it are satisfied:

- (1) Party B is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions:
.....
- (3)
Initially, the **Custodian** for Party B is

(ii) **Use of Posted Pledging Collateral.** The provisions of Paragraph 6(d) will not apply to the [party/parties*] specified here:

- Party A
- Party B

and [that party/those parties*] will not be permitted to:

(h) **Distributions and Interest Amount.**

(i) **Interest Rate.** The "**Interest Rate**" will be:

(ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Lending Collateral in the form of Cash is Transferred to the Obligor pursuant to Paragraph 3(b), unless otherwise specified here:

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 6(e)(ii) will apply, unless otherwise specified here:

* Delete as applicable.

(i) **Additional Representation(s).**

[Party A/Party B*] represents to the other party (which representation(s) will be deemed to be repeated as of each date on which it, as the Obligor, Transfers Eligible Collateral) that:

- (i)
- (ii)

(j) **Other Eligible Support and Posted Other Support.**

- (i) **"Value"** with respect to Other Eligible Support and Posted Other Support means:
.....
- (ii) **"Transfer"** with respect to Other Eligible Support and Posted Other Support means:
.....

(k) **Demands and Notices.**

All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of the Agreement, unless otherwise specified here:

Party A:
Party B:

(l) **Addresses for Transfers.**

Party A:
Party B:

(m) **Other Provisions.**

(i) The parties hereto agree that the following is hereby inserted as Additional Events of Default and shall be construed as Section 5(a)(ix) of the Agreement:

"(ix) *Other financial crisis.* The party:

- (1) has a pre-judgement attachment ("karisashiosae"), post-judgement attachment ("sashiosae") or other court order of enforcement issued in respect of any rights to receive Posted Lending Collateral or the Obligations; or
- (2) transfers, assigns or pledges any rights to receive Posted Lending Collateral or the Obligations to a third party."

(ii) Section 6(a) of the Agreement is hereby amended by inserting "or specified in Section 5(a)(ix)(1) or (2)" after "or, to the extent analogous thereto, (8)" in line 8 therefor.

* Delete as applicable.