



International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of 1 OCTOBER 2012

J.P. MORGAN SECURITIES PLC

BRASS NO. 2 PLC

..... and

have entered and/or anticipate entering into one or more transactions (each a “Transaction”) that are or will be governed by this Master Agreement, which includes the schedule (the “Schedule”), and the documents and other confirming evidence (each a “Confirmation”) exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this “Agreement”), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If: —

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:—

(a) **Basic Representations.**

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located (“Stamp Tax Jurisdiction”) and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party’s execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an “Event of Default”) with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If “Cross Default” is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however

described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party: —

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) 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; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) 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; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) 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; (7) 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; (8) 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 (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: —

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event

Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:—

- (i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party): —
 - (1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or
 - (2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;
 - (ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));
 - (iii) **Tax Event Upon Merger.** The party (the “Burdened Party”) on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);
 - (iv) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or
 - (v) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).
- (c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) ***Transfer to Avoid Termination Event.*** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party’s policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) ***Right to Terminate.*** If: —

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default: —

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss*. If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events**. If the Early Termination Date results from a Termination Event: —

(1) *One Affected Party*. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties*. If there are two Affected Parties: —

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy**. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate**. The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that: —

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and
- (b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) ***Payment in the Contractual Currency.*** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the “Contractual Currency”). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) ***Judgments.*** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term “rate of exchange” includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) ***Separate Indemnities.*** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) ***Evidence of Loss.*** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
 - (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
 - (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:—

“Additional Termination Event” has the meaning specified in Section 5(b).

“Affected Party” has the meaning specified in Section 5(b).

“Affected Transactions” means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

“Affiliate” means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Applicable Rate” means:—

- (a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;
- (b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;
- (c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and
- (d) in all other cases, the Termination Rate.

“Burdened Party” has the meaning specified in Section 5(b).

“Change in Tax Law” means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

“consent” includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

“Credit Event Upon Merger” has the meaning specified in Section 5(b).

“Credit Support Document” means any agreement or instrument that is specified as such in this Agreement.

“Credit Support Provider” has the meaning specified in the Schedule.

“Default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

“Defaulting Party” has the meaning specified in Section 6(a).

“Early Termination Date” means the date determined in accordance with Section 6(a) or 6(b)(iv).

“Event of Default” has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

“Illegality” has the meaning specified in Section 5(b).

“Indemnifiable Tax” means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

“law” includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **“lawful”** and **“unlawful”** will be construed accordingly.

“Local Business Day” means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

“Loss” means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party’s legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

“Market Quotation” means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have

been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will 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 fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

“Non-default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

“Non-defaulting Party” has the meaning specified in Section 6(a).

“Office” means a branch or office of a party, which may be such party’s head or home office.

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Reference Market-makers” means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

“Relevant Jurisdiction” means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

“Scheduled Payment Date” means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

“Settlement Amount” means, with respect to a party and any Early Termination Date, the sum of: —

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

“Specified Entity” has the meanings specified in the Schedule.

“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Stamp Tax” means any stamp, registration, documentation or similar tax.

“Tax” means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

“Tax Event” has the meaning specified in Section 5(b).

“Tax Event Upon Merger” has the meaning specified in Section 5(b).

“Terminated Transactions” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

“Termination Currency” has the meaning specified in the Schedule.

“Termination Currency Equivalent” means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

“Termination Event” means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

“Unpaid Amounts” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

J.P. MORGAN SECURITIES PLC

(Name of Party)

By: _____

Name: TAM SIN ROUS
Title: VICEPRESIDENT
Date: 01.10.12

BRASS NO.2 PLC

(Name of Party)

By: _____

Name:
Title:
Date:

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

J.P. MORGAN SECURITIES PLC

(Name of Party)

By:

Name:

Title:

Date:

BRASS NO.2 PLC

(Name of Party)

By:

Name:

Title:

Date:

Mark Filer
Director

1 OCTOBER 2012

SCHEDULE

to the

1992 ISDA Master Agreement

dated as of 1 October 2012

between

J.P. MORGAN SECURITIES PLC ("Morgan")	and	BRASS NO.2 PLC ("Counterparty")
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Part 1
Termination Provisions

In this Agreement:

- (a) *"Specified Entity"* shall not apply in relation to either Morgan or the Counterparty.
- (b) The *"Failure to Pay or Deliver"* provisions of Section 5(a)(i) will apply to Morgan and will apply to the Counterparty.
- (c) The *"Breach of Agreement"* provisions of Section 5(a)(ii) will apply to Morgan and will not apply to the Counterparty.
- (d) The *"Credit Support Default"* provisions of Section 5(a)(iii) will apply to Morgan and will not apply to the Counterparty.
- (e) The *"Misrepresentation"* provisions of Section 5(a)(iv) will apply to Morgan and will not apply to the Counterparty.
- (f) The *"Default Under Specified Transaction"* provisions of Section 5(a)(v) will apply to Morgan and will not apply to the Counterparty.
- (g) The *"Cross Default"* provisions of Section 5(a)(vi) will not apply to the Counterparty. The *"Cross Default"* provisions of Section 5(a)(vi) will apply to Morgan and for such purpose:
 - (i) "Specified Indebtedness" will have the meaning specified in Section 14, except that such term shall not include obligations in respect of deposits received in the ordinary course of such party's banking business.
 - (ii) "Threshold Amount" means, with respect to Morgan, an amount equal to three percent of the shareholders' equity of the applicable Relevant Entity (as defined below in Part 6).

- (h) The “**Bankruptcy**” provisions of Section 5(a)(vii) shall apply to Morgan and the Counterparty provided that:
- (i) Section 5(a)(vii)(2), (7) and (9) will not apply to the Counterparty;
 - (ii) Section 5(a)(vii)(3) will not apply to the Counterparty to the extent that it refers to any assignment, arrangement or composition that is effected by any document to which the Counterparty is, as of the date of this Agreement, a party in connection with the transactions contemplated by the Transaction Documents;
 - (iii) Section 5(a)(vii)(4) will not apply to the Counterparty to the extent that it refers to proceedings or petitions instituted or presented by Morgan or any of Morgan’s Affiliates;
 - (iv) Section 5(a)(vii)(6) will not apply to the Counterparty to the extent that it refers to (1) any appointment that is contemplated or effected by any document to which the Counterparty is, as of the date of this Agreement, a party in connection with the transactions contemplated by the Transaction Documents or (2) any such appointment to which the Counterparty has not yet become subject; and
 - (v) Section 5(a)(vii)(8) will apply to the Counterparty but only to the extent that it applies to Sections 5(a)(vii)(1), (3), (4), (5) and (6) as they apply with respect to the Counterparty).
- (i) The “**Merger Without Assumption**” provisions of Section 5(a)(viii) will apply to Morgan and will not apply to the Counterparty.
- (j) The “**Tax Event**” provisions of Section 5(b)(ii) will apply to Morgan and to the Counterparty, provided that the words “(x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y)” shall be deleted.
- (k) The “**Tax Event Upon Merger**” provisions of Section 5(b)(iii) will apply to Morgan and will not apply to the Counterparty provided that Morgan shall not be entitled to designate an Early Termination Date by reason of a Tax Event Upon Merger in respect of which it is the Affected Party.
- (l) The “**Credit Event Upon Merger**” provisions of Section 5(b)(iv) will not apply to Morgan and will not apply to the Counterparty.
- (m) The “**Automatic Early Termination**” provisions of Section 6(a) will not apply to Morgan and will not apply to the Counterparty.
- (n) The “**Transfer to Avoid Termination Event**” provisions of 6(b)(ii) will apply to Morgan and the Counterparty, provided that the words “or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party” shall be deleted.
- (o) “**Termination Currency**” means Sterling.
- (p) **Payments on Early Termination.** For the purpose of Section 6(e):

- (i) Market Quotation will apply to this Agreement; other than in respect of an Early Termination Date with respect to which the Counterparty is a Defaulting Party or the sole Affected Party, in which case Loss will apply; and
 - (ii) The Second Method will apply to this Agreement.
- (q) The occurrence of any of the following events shall constitute an “***Additional Termination Event***” for purposes of Section 5(b)(v):
- (i) Acceleration of Notes. The principal due in respect of the Notes (as defined in the Master Definitions) is declared to be due and payable in accordance with the terms of the Trust Deed and the Security Trustee has started to sell all or part of the Security (as defined in the Master Definitions) as a consequence thereof. If this Additional Termination Event occurs, the Counterparty shall be the sole Affected Party and all Transactions then outstanding between the parties shall be Affected Transactions;
 - (ii) Redemption of Notes. A notice of full redemption of the Notes pursuant to Condition 7.3 (*Optional Redemption of the Class A Notes in Full*) or Condition 7.4 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*) is issued and has become irrevocable pursuant to the Conditions, in which event the Early Termination Date shall not occur earlier than the tenth Business Day (as defined in the Master Definitions) prior to the date on which the Notes are to be redeemed. If this Additional Termination Event occurs, the Counterparty shall be the sole Affected Party and all Transactions then outstanding between the parties shall be Affected Transactions;
- Amendment to Transaction Documents. Any provision of the Transaction Documents or the Prospectus is amended and such amendment (whether or not the Rating Agencies have been given prior written notice of such amendment in accordance with the provisions of Part 5(j) (*Rating Agency Notifications*)) would have the effect (i) that immediately after such modification, Morgan would be reasonably required to pay more or receive less under this Agreement if it were to replace itself as Interest Rate Swap Provider than it would otherwise have been required to prior to such modification; or (ii) of altering the amount, timing or priority of any payments or deliveries due from the Counterparty to Morgan or from Morgan to the Counterparty, in each case unless Morgan has consented in writing to such amendment. If this Additional Termination Event occurs, the Counterparty shall be the sole Affected Party and all Transactions then outstanding between the parties shall be Affected Transactions; or
- (iii) Rating Downgrade Events. The occurrence of an Additional Termination Event as set forth in Part 6 hereof. If this Additional Termination Event occurs, Morgan shall be the sole Affected Party and all Transactions then outstanding between the parties shall be Affected Transactions.

For the purposes of (i) and (ii) above, any "Loss" in respect of the terminated Transactions shall be determined based on the anticipated reduction in the Notional Amount of the relevant Transaction had such Additional Termination Event not occurred.

Part 2
Tax Representations

- (a) ***Payer Tax Representations.*** For the purpose of Section 3(e) of this Agreement, Morgan and the Counterparty each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement and deliveries, transfers and payments to be made pursuant to the Credit Support Annex) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement;
- (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement; and
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement;

provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) of this Agreement by reason of material prejudice to its legal or commercial position.

- (b) ***Payee Tax Representations.*** For the purpose of Section 3(f), the Counterparty makes the following representations:

- (i) It is a company incorporated in England and Wales, and will act only through an Office in England and Wales for purposes of this Agreement.
- (ii) No payment received or to be received by it in connection with this Agreement will be effectively connected or otherwise attributable to the conduct of a trade or business in the United States.
- (iii) It is a "non-U.S. branch of a foreign person" as that term is used in section 1.1441-4(a)(3)(ii) of the U.S. Treasury Regulations (the "**Regulations**"), and a "foreign person" as that term is used in section 1.6041-4(a)(4) of the Regulations.

For the purposes of Section 3(f), Morgan makes the following representation:

- (i) It is a company incorporated in and resident for tax purposes solely in the United Kingdom, and will act only through an office in London for the purposes of this Agreement.

Part 3
Agreement to Deliver Documents

For the purpose of Sections 4(a)(i) and (ii), each party agrees to deliver the following documents, as applicable:

(a) Tax forms, documents or certificates to be delivered are:

Party required to deliver document	Form / Document / Certificate	Date by which to be delivered
Counterparty	U.S. Internal Revenue Service Form W-9, Form W-8EXP, Form W-8BEN and/or Form W-8ECI from Counterparty (or, where Counterparty is not the beneficial owner for U.S. federal income tax purposes, from each beneficial owner of Counterparty together with Form W-8IMY, with the allocation statement required to be delivered in connection therewith, from Counterparty, as relevant.)	Upon execution of this Agreement; and promptly upon learning that any form or other document previously provided by Counterparty has become obsolete or incorrect.

(b) Other documents to be delivered are:

Party required to deliver document	Form / Document / Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Morgan	A certificate specifying the names, titles and specimen signatures of the person(s) authorised to execute this Agreement and each Confirmation on its behalf	Upon execution of this Agreement	Yes
Counterparty	(i) A certified copy of its board resolutions authorising its entry into Transactions hereunder and (ii) a certificate specifying the names, titles and specimen signatures of the person(s) authorised to execute this Agreement and each Confirmation on its behalf	Upon execution of this Agreement	Yes
Counterparty	A conformed copy of the Deed of Charge	Promptly following the execution of this Agreement	Yes
Counterparty	A legal opinion of counsel as to the due incorporation, capacity, authority and authorisation of Counterparty to enter into this Agreement and the ability of	Upon execution of this Agreement	No

Counterparty to make payments as of the date of this Agreement without the deduction of withholding tax, in form and substance reasonably satisfactory to Morgan

Counterparty	A conformed copy of any Swap Collateral Bank Account Agreement in form and substance satisfactory to Morgan	Promptly following execution of the relevant Swap Collateral Bank Account Agreement	Yes
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Counterparty	Counterparty shall supply (or shall procure that the Note Trustee or Security Trustee supply) Morgan with copies of all accounts, reports and notices (including Note Acceleration Notices and note redemption notices) required to be supplied to noteholders or investors (as defined in the Master Definitions). Copies of such accounts, notices and/or reports shall be delivered to Morgan at the following address:	At the same time as such accounts, notices and reports are supplied to noteholders or investors	Yes
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J.P. Morgan Securities plc
Global Risk Management Group
c/o Nilesh Patel, Executive Director & Nischal C. Patel, Executive Director
25 Bank Street
Canary Wharf
London
E14 5JP
e-mail address: nilesh.patel@jpmorgan.com; nischal.c.patel@jpmorgan.com

Part 4
Miscellaneous

- (a) ***Addresses for Notices.*** For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to Morgan:

Any notice relating to a particular Transaction shall be delivered to the address or facsimile number specified in the Confirmation of such Transaction. Any notice delivered for purposes of Sections 5, 6, 7, 11 and 13 of this Agreement shall be delivered to the following address:

Address: J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Attention: Legal Department - Derivatives Practice Group
Facsimile No: +44 (0) 203 493 0687

Address for notices or communications to the Counterparty:

Address: Brass No.2 plc
c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London EC2R 7AF

Attention: The Directors

with a copies to:

Address: Yorkshire Building Society
Yorkshire House
Yorkshire Drive
Bradford
West Yorkshire BD5 8LJ

Attention: Treasury Operations Manager
Facsimile No.: +44 (0) 1274 391858

Address: Accord Mortgages Limited
1 Filey Street
Bradford
West Yorkshire BD1 5AT

Attention: Treasury Operations Manager
Facsimile No.: +44 (0) 1274 391858

with a copy to the Note Trustee/Security Trustee:

Address: Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention: Managing Director (ABS Group)
Facsimile No.: +44 (0) 207 547 5919

- (b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

Morgan appoints as its Process Agent: Not applicable.
Counterparty appoints as its Process Agent: Not applicable

- (c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

- (d) **Multibranch Party.** For the purpose of Section 10 of this Agreement:

Morgan is not a Multibranch Party.
Counterparty is not a Multibranch Party.

- (e) **Credit Support Document.** Details of any Credit Support Document:

With respect to Morgan, the guarantee issued by JPMorgan Chase Bank, N.A. dated on or about the date of this Agreement or any Eligible Guarantee delivered by Morgan shall constitute a Credit Support Document.

With respect to Morgan, the Approved Credit Support Document (as defined herein) entered into between Morgan and the Counterparty shall constitute a Credit Support Document. An Approved Credit Support Document shall be executed and delivered contemporaneously with this Agreement.

With respect to Counterparty, not applicable.

- (f) **Credit Support Provider.**

With respect to Morgan, JPMorgan Chase Bank, N.A. or the party guaranteeing Morgan's obligations pursuant to an Eligible Guarantee, if any, shall be a Credit Support Provider.

With respect to Counterparty: not applicable.

- (g) **Governing Law and Jurisdiction.** This Agreement and any contractual or non-contractual obligations arising out of or in relation to this Agreement shall be governed by and construed in accordance with English law. Section 13(b) is amended by (i) inserting the words "or any non-contractual obligations arising out of or relating to this Agreement" after the words "to this Agreement" appearing in the second line of Section 13(b), and (ii) inserting the word "exclusive" before the word "jurisdiction" in the first line of Section 13(b)(i).

- (h) ***Netting of Payments.*** Section 2(c)(ii) of this Agreement will apply, with the effect that payment netting will not take place with respect to amounts due and owing in respect of more than one Transaction.
- (i) ***“Affiliate”*** will have the meaning specified in Section 14 of this Agreement.

Part 5
Other Provisions

- (a) **Calculation Agent.** The Calculation Agent will be Morgan. Following an Event of Default with respect to which Morgan is the Defaulting Party, any Non-Operational Failure by Morgan (as determined by the Counterparty, acting reasonably and in good faith) shall entitle the Counterparty, by notice to Morgan (which such notice must contain evidence reasonably satisfactory to Morgan of such Non-Operational Failure), to either (a) perform the role of Calculation Agent itself; or (b) nominate a third party reasonably selected by it to be Calculation Agent.

"Non-Operational Failure" means a failure by Morgan to perform any of its duties as Calculation Agent that is not caused by an error or omission of an administrative or operational nature, as demonstrated by Morgan to the reasonable satisfaction of the Counterparty, provided that if Morgan does not demonstrate such within 10 Business Days (the "Notice Period") of a request by the Counterparty then such failure shall, upon expiry of the Notice Period, automatically be considered to be a Non-Operational Failure.

- (b) **No Gross-up for Counterparty.** Section 2(d) of the Agreement shall not apply with respect to the Counterparty so that the Counterparty shall not be obligated to gross up pursuant thereto.
- (c) **Morgan Acknowledgment.** Notwithstanding anything to the contrary in this Agreement, Morgan hereby:
- (a) acknowledges and agrees that the Counterparty has assigned its rights under this Agreement to the Security Trustee pursuant to the Deed of Charge and that, upon the occurrence of an Event of Default (as defined in Condition 10 (*Events of Default*) of the Notes), the Security Trustee shall be entitled to exercise all rights and remedies of a secured party with respect to this Agreement; and
- (b) agrees that, unless notified in writing by the Security Trustee of other payment instructions, any and all amounts payable by Morgan to the Counterparty shall be paid in accordance with the provisions of this Agreement.
- (d) **No Petition; Limited Recourse.**

Morgan hereby agrees with the Counterparty in its capacity as "the Fixed Interest Rate Swap Provider" (as defined in the Master Definitions) to be bound by and to comply with the terms of the Deed of Charge. Morgan hereby agrees that it shall not take any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement or any other debts whatsoever owing to it by the Counterparty, or procure the winding-up or liquidation of the Counterparty or the making of an administration order in relation to the Counterparty or the filing of documents with the court in relation to the Counterparty or the service of a notice of intention to appoint an administrator to the Counterparty in respect of any of the liabilities of the Counterparty whatsoever other than to the extent expressly permitted under the Deed of Charge.

Morgan hereby acknowledges and agrees that the Counterparty's obligations hereunder will be limited in recourse to the Charged Assets. If:

- (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (ii) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding in respect of the Secured Obligations,

then Morgan shall have no further claim against the Counterparty in respect of any amounts owing to it which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

This Part 5(d) shall survive termination of this Agreement.

(e) ***Additional Representations.***

(a) Section 3 is hereby amended by adding at the end thereof the following subparagraphs (g) and (h):

“(g) **No Agency.** It is entering into this Agreement, including each Transaction, as principal and not as agent or nominee of any person or entity.

(h) Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

- (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.
- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts,

the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.”

(b) The following additional representation shall be given by Morgan only:

“**Pari Passu.** Its obligations under this Agreement rank equal and ratably with all of its other unsecured, unsubordinated obligations except those obligations preferred by operation of law.”

- (f) **Amendment to Section 2(a)(i) of the Agreement.** Section 2(a)(i) of the Agreement is amended by adding the following sentence at the end thereof:

“In addition, if (A) the Credit Support Provider of Morgan is required to make a payment (the “Primary Payment”) under the Credit Support Document which it has provided and (B) such payment will be subject to deduction or withholding for tax, then Morgan will make such additional payment (the “Additional Payment”) as is necessary to ensure that the net amount actually received by the Counterparty from such Credit Support Provider (free and clear of any tax) in respect of the Primary Payment and the Additional Payment will equal the full amount that the Counterparty would have received from such Credit Support Provider had no such deduction or withholding been required. For this purpose, it shall be assumed that such Credit Support Provider will be required to make a payment under such Credit Support Document in respect of the Additional Payment.”

- (g) **Set-off.** Notwithstanding any provision of this Agreement or any other existing or future agreement, but subject to Section 2(c) and Section 6 of the Agreement and Part 6(3) of this Schedule, each party irrevocably waives any and all rights it may have to set off, net, recoup or otherwise withhold or suspend or condition payment or performance of any obligation between it and the other party hereunder against any obligation between it and the other party under any other agreements.

- (h) **Amendment to Section 6(e) of the Agreement.** Section 6(e) of the Agreement is amended by deleting the last sentence of the introductory paragraph thereof.

- (i) **Modification to Definition of Indemnifiable Tax.** The definition of “Indemnifiable Tax” in Section 14 is hereby modified in the following manner:

(i) in relation to payments by Morgan, any Tax shall be an Indemnifiable Tax, and in relation to payments by the Counterparty, no Tax shall be an Indemnifiable Tax.

- (j) **Rating Agency Notifications.** Notwithstanding any other provision of this Agreement, Counterparty shall notify (or procure the notification to) the Rating Agencies by written notice (which may be by email) on or as soon as reasonably practicable following any amendment to this Agreement, the designation of an Early Termination Date under this Agreement and /or the transfer of any rights or obligations under this Agreement (other than a transfer of all of Morgan’s rights and obligations with respect to this Agreement in

accordance with Part 6(2)(A) below) (such notification the “**Rating Agency Notification**”). Such amendments, transfer or designation of an Early Termination Date under this Agreement shall be effective notwithstanding any failure or delay in providing the Rating Agency Notification. To the extent that a Rating Agency has ceased to rate the Class A Notes as a result of a withdrawal of its rating or otherwise, the Rating Agency Notification shall not be required with respect to that Rating Agency.

- (k) **Transactions.** It is hereby acknowledged and agreed by the parties that the provisions of this Agreement shall apply only to Transactions entered into between Morgan and the Counterparty in connection with the issuance by the Counterparty of the Class A1 mortgage backed floating rate notes due July 2050 (the "**Class A1 Notes**"), the Class A2 mortgage backed floating rate notes due July 2050 (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Class A Notes**") and the Class Z variable funded note due July 2050 (the "**Class Z VFN**" and, together with the Class A Notes, the "**Notes**"), and any related Approved Credit Support Document.
- (l) **Further Agreements.** The Counterparty further agrees that it shall obtain Morgan's written approval prior to any amendment of the Transaction Documents or the Prospectus which may affect the amount, timing or the priority of any payments or deliveries due from the Counterparty to Morgan or from Morgan to the Counterparty.
- (m) **Expenses.** Section 11 shall be deleted in its entirety and replaced by the following: "A Defaulting Party or a sole Affected Party (if such sole Affected Party is Morgan in respect of an Additional Termination Event as set forth in Part 6 hereof) will, on demand, indemnify and hold harmless the other party for and against the Termination Currency Equivalent of all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which such Defaulting Party or Affected Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection and costs incurred in connection with procuring a replacement for this Agreement (other than any amount paid or payable to a replacement counterparty).
- (n) **Tax Credits.**
 - (i) If Morgan has paid an additional amount or received a lesser amount pursuant to Section 2(d)(i) and Counterparty subsequently receives, retains and utilises any refund or Tax credit (a "**Tax Credit**") in respect of any amount deducted or withheld in respect thereof from any revenue authority, Counterparty shall as soon as reasonably practicable following receipt, pay the amount of the refund or credit to Morgan, together with any interest received thereon.
 - (ii) Upon receiving notice in writing from Morgan pursuant to this Part (5)(n) that Morgan has paid an additional amount or received a lesser amount pursuant to Section 2(d)(i), the Counterparty (or the Corporate Servicer on its behalf) will use all reasonable endeavours to obtain any Tax Credit, as soon as is reasonably practicable and Counterparty shall, upon request by Morgan, supply Morgan with a reasonably detailed explanation of its calculation of the amount of any such Tax Credit and of the date on which the same is received.

- (iii) Without prejudice to this Part 5(n), nothing contained in this Schedule shall interfere with the right of Counterparty or Morgan to arrange its tax and other affairs in whatever manner it thinks fit and, in particular, neither Counterparty nor Morgan shall be under any obligation to claim relief from Tax on its corporate profits, or from any similar Tax liability, in respect of the Tax, or to claim relief in priority to any other claims, reliefs, credits or deductions available to it. Without prejudice to Part 3(a), neither Counterparty nor Morgan shall be obliged to disclose any confidential information relating to the organisation of its affairs or any information regarding its tax affairs or tax computations other than, in the case of Counterparty, the explanation referred to above.

(o) ***ISDA Illegality/Force Majeure Protocol.***

The parties agree that the provisions of the ISDA Illegality/Force Majeure Protocol including Schedule 1 thereto published by the International Swaps and Derivatives Association, Inc on 11 July 2012 (the "**Protocol**") and all definitions contained in clause 5 of the Protocol are incorporated into and apply to this Agreement with the same effect as if the parties had complied with the provisions of section 2 of the Protocol , provided that all references to "or impracticable" and "or impracticability" shall be deemed to be deleted from the Protocol. In this respect "the parties", as used in the Protocol shall be construed as referring to Morgan and Counterparty.

Part 6
Downgrade Provisions; Transfer; Payments on Early Termination;

(1) ***Ratings Downgrade Provisions.***

Following the occurrence of a Ratings Event, for as long as such Ratings Event is continuing, the parties shall comply with the following provisions, as applicable, provided that if Fitch has ceased to rate the Class A Notes as a result of a withdrawal of its rating or otherwise, the provisions of this section shall cease to apply with respect to Fitch.

I. Ratings Event I

A. Actions upon Ratings Event I: Not later than:

- (i) 30 Business Days in the case of a Ratings Event I with respect to Moody's; and
- (ii) 14 calendar days in the case of a Ratings Event I with respect to Fitch;

after such Ratings Event I has occurred and is continuing, Morgan shall, at its own expense transfer Eligible Credit Support to Counterparty in accordance with the terms of the Approved Credit Support Document and, following such transfer, maintain Eligible Credit Support as required under the Approved Credit Support Document.

Morgan's obligations under this Part 6(1)(I)(A) shall cease, solely with respect to such occurrence, if (A) such Ratings Event I is no longer continuing or (B) Morgan has, at its own expense, provided an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, transferred its rights and obligations pursuant to a Qualifying Novation, or taken Other Relevant Action, in each case in accordance with the terms of this Schedule.

B. Eligible Guarantee or Eligible Replacement below Ratings Event I Levels

If a Qualifying Novation is made to an Eligible Replacement, an Eligible Guarantee is provided or Other Relevant Action is taken and, immediately after the execution of such Qualifying Novation or Eligible Guarantee or taking of such Other Relevant Action (as applicable), there is a Ratings Event I, then (so long as such Ratings Event I is continuing) Part 6(1)(I)(A) above shall apply without regard to the relevant time period referred to therein.

II. Ratings Event II

A1. Actions upon Ratings Event II with respect to Moody's only. If a Ratings Event II with respect to Moody's has occurred and is continuing, Morgan shall, at its own expense and as soon as reasonably practicable, use commercially reasonable efforts to:

- (i) provide, or cause to be provided, an Eligible Guarantee to Counterparty in respect of all Morgan's present and future obligations under this Agreement; or
- (ii) transfer Morgan's rights and obligations under the Agreement and all Confirmations pursuant to a Qualifying Novation; or

(iii) take Other Relevant Action.

If, immediately prior to such Ratings Event II, Morgan is required to transfer and maintain Eligible Credit Support following a Ratings Event I, Morgan shall continue to maintain Eligible Credit Support under the Approved Credit Support Document and shall transfer any additional required Eligible Credit Support following a Ratings Event II.

If, immediately prior to such Ratings Event II, Morgan is not required to transfer and maintain Eligible Credit Support following a Ratings Event I, then Morgan shall, in accordance with the terms of the Approved Credit Support Document, transfer Eligible Credit Support within 30 Business Days of such Ratings Event II and maintain Eligible Credit Support until Morgan has provided an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, has transferred its rights and obligations pursuant to a Qualifying Novation, or has taken Other Relevant Action, in each case in accordance with terms of this Schedule. In addition, Morgan shall continue to use commercially reasonable efforts to transfer its rights and obligations pursuant to a Qualifying Novation, to provide an Eligible Guarantee or to take Other Relevant Action, in accordance with terms of this Schedule.

Morgan's obligations under this Part 6(1)(II)(A1) shall cease, solely with respect to such occurrence, if (A) such Ratings Event II with respect to Moody's is no longer continuing or (B) Morgan has provided an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, transferred its rights and obligations pursuant to a Qualifying Novation, or taken Other Relevant Action, in each case in accordance with the terms of this Schedule.

A2. Actions upon Ratings Event II with respect to Fitch only. Not later than 30 calendar days after a Ratings Event II with respect to Fitch has occurred and is continuing, Morgan shall, at its own expense use commercially reasonable efforts to:

- (i) provide, or cause to be provided, an Eligible Guarantee to Counterparty in respect of all Morgan's present and future obligations under this Agreement; or
- (ii) transfer Morgan's rights and obligations under the Agreement and all Confirmations pursuant to a Qualifying Novation; or
- (iii) take Other Relevant Action.

Pending compliance with sub-paragraph (i), (ii) or (iii) above, Morgan will transfer Eligible Credit Support in accordance with the terms of the Approved Credit Support Document, at its own cost and within 14 calendar days of the occurrence of such Ratings Event II with respect to Fitch.

Morgan's obligations under this Part 6(1)(II)(A2) shall cease, solely with respect to such occurrence, if (A) such Ratings Event II with respect to Fitch is no longer continuing or (B) Morgan has provided an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, transferred its rights and obligations pursuant to a Qualifying Novation, or taken Other Relevant Action, in each case in accordance with the terms of this Schedule.

III. Ratings Event I, Ratings Event II and Events of Default/Additional Termination Events

Failure by Morgan to comply with the requirement of Part 6(1)(II)(A1) or (A2) to use commercially reasonable efforts to obtain an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, transfer its rights and obligations pursuant to a Qualifying Novation or take Other Relevant Action shall constitute an Event of Default with respect to Morgan.

If Morgan has not:

- (i) within 30 Business Days following the occurrence of a Ratings Event II with respect to Moody's; or
- (ii) within 30 calendar days following the occurrence of a Ratings Event II with respect to Fitch,

obtained an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement, transferred its rights and obligations pursuant to a Qualifying Novation, or taken Other Relevant Action, notwithstanding that Morgan has transferred Eligible Credit Support in accordance with the terms of the Approved Credit Support Document, it shall constitute an Additional Termination Event in respect of which Morgan is the sole Affected Party and all Transactions are Affected Transactions, but only if:

- 1. (A) one or more Eligible Replacements has made a Firm Offer (in response to solicitation by Morgan) to be the transferee of a transfer pursuant to a Qualifying Novation, and/or (B) one or more Eligible Replacements has made a Firm Offer (in response to solicitation by the Counterparty) that would, assuming an Early Termination Date had been designated, qualify as a Market Quotation (on the basis that sub-paragraphs (i) and (ii) in Part 6(3) below apply) and which remains capable of becoming legally binding upon acceptance and/or (C) at least one entity has made a Firm Offer to provide an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement;
- 2. such Ratings Event II is continuing and has been continuing for at least 30 Business Days in the case of Moody's and Fitch.

Failure by Morgan to transfer or maintain Eligible Credit Support under Part 6(1)(I), or (II) in accordance with the Approved Credit Support Document with respect to Moody's and Fitch shall be an Event of Default under Section 5(a)(iii).

IV. Withdrawal of the rating of the Class A Notes by Fitch

If the Class A Notes cease to be rated by Fitch (the "**Withdrawing Rating Agency**") as a result of a withdrawal of its rating or otherwise, the provisions of this Part 6 (1) and (2) and relevant provisions in the Approved Credit Support Document to the extent they relate to the Withdrawing Rating Agency (such provisions, the "**Withdrawn Downgrade Provisions**") shall cease to apply and shall be deemed to be deleted as of the date of such withdrawal (such date the "**Withdrawal Date**"). If a Withdrawal Date occurs and Morgan has posted any Eligible Credit Support in accordance with the requirements of the Withdrawing Rating Agency under this Part (6) (1) and the Approved Credit Support

Document, Equivalent Credit Support shall be returned to Morgan in accordance with the terms of the Approved Credit Support Document to the extent that such Eligible Credit Support has been posted in respect of requirements of the Withdrawing Rating Agency only and no other Rating Agency, and Morgan shall have no further obligations under the Approved Credit Support Document in connection with the Withdrawn Downgrade Provisions.

V. Definitions

As used herein:

“Approved Credit Support Document” means the 1995 ISDA Credit Support Annex (ISDA Agreements Subject to English Law), as modified by the Paragraph 11 thereto, in the form annexed hereto. An Approved Credit Support Document will be executed and delivered contemporaneously with this Agreement.

“Business Day” has the meaning given to it in the Confirmation.

“Charged Assets” has the meaning given to it in the Master Definitions.

“Deed of Charge” means the deed of charge dated 1 October 2012 between, amongst others, the Counterparty and the Security Trustee pursuant to which the Counterparty grants Security in favour of the Security Trustee for the benefit of the Secured Creditors (as the same may be amended, restated, varied supplemented, replaced and/or novated from time to time).

“Eligible Guarantee” means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than as surety and directly enforceable by the Counterparty and that meets the following conditions:

1. such guarantee provides that, if the performance of a guaranteed obligation requires an action to be taken by Morgan, the guarantor shall use its best endeavours to procure that Morgan takes such action;
2. (A) a law firm has given a legal opinion confirming that none of the guarantor's payments to the Counterparty will be subject to deduction or withholding for tax and such opinion has been disclosed to the Rating Agencies or (B) such guarantee provides that, in the event that any of such guarantor's payments to the Counterparty are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by the Counterparty will equal the full amount the Counterparty would have received had no such deduction or withholding been required or (C) in the event that any payment (the **“Primary Payment”**) under such guarantee is made net of deduction or withholding for tax, Morgan is required, under this Agreement, to make such additional payment (the **“Additional Payment”**) as is necessary to ensure that the net amount actually received by the Counterparty from the guarantor (free and clear of any tax) in respect of the Primary Payment and the Additional Payment will equal the full amount the Counterparty would have received had no such deduction or withholding

been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment);

3. the guarantor waives any right of set-off in respect of payments under such guarantee; and
4. the guarantor must meet the Ratings Event I Required Ratings and/or Ratings Event II Required Ratings, provided that if such guarantor does meet the Ratings Event II Required Ratings but does not meet the Ratings Event I Required Ratings, such guarantee shall not be an Eligible Guarantee unless either the guarantor or Morgan delivers Eligible Credit Support in accordance with the Approved Credit Support Document at the time such Eligible Guarantee is provided.

“Eligible Replacement” means an entity (a) that could lawfully perform the obligations owing to the Counterparty under this Agreement or its replacement (as applicable); (b) (i) that satisfies the Ratings Event I Required Ratings and/or the Ratings Event II Required Ratings or (ii) whose present and future obligations owing to the Counterparty are guaranteed pursuant to an Eligible Guarantee by a guarantor that satisfies the Ratings Event I Required Ratings and/or the Ratings Event II Required Ratings.

“Firm Offer” means an offer which, when made, was capable of becoming legally binding upon acceptance.

“Fitch” means Fitch, Inc., Fitch Ratings, Ltd. and their subsidiaries and any successor or successors thereto.

“Issuer Default Rating” means the unsecured and unsubordinated debt or counterparty rating given by Fitch to an entity from time to time;

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

“Note Trustee” means means Deutsche Trustee Company Limited, acting as Note Trustee under the terms of the Trust Deed, or such other person as may from time to time be appointed as note trustee (or co-trustee) pursuant to the Trust Deed.

“Other Relevant Action” means such other action (which may, for the avoidance of doubt, include taking no action) as notified to, and confirmed by, the relevant Rating Agency as will result in the rating of the Class A Notes being maintained at, or restored to, the level it would have been but for the relevant Ratings Event and, if applicable, the Class A Notes not being placed on rating watch negative by such Rating Agency as a result of such Ratings Event.

“Prospectus” means the prospectus dated 27 September 2012 in relation to the issue of the Notes and approved by the UK Listing Authority, as amended or supplemented.

“Qualifying Novation” means a transfer of all rights and obligations of Morgan under all Transactions that are the subject of this Agreement (which may include a transfer of this Agreement) to an Eligible Replacement (the “Transferee”) such that:

1. if the Transferee does not meet the Ratings Event I Required Ratings, such Transferee delivers Eligible Credit Support in accordance with the Approved Credit Support Document at the time of such Qualifying Novation;
2. unless the Transferee is required to gross up for any Tax pursuant to Section 2(d)(i), as of the date of such transfer, the Transferee will not, as a result of such transfer, be required to withhold or deduct any amount for or on account of Tax from any payment made under this Agreement;
3. a Termination Event or an Event of Default will not immediately occur under this Agreement as a result of such transfer;
4. the Transferee contracts with Counterparty on terms that (x) have the same effect as the terms of this Agreement in respect of any obligation (whether absolute or contingent) to make payment or delivery after the effective date of such transfer and (y) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for Counterparty than the terms of this Agreement immediately before such transfer; and
5. unless the Transferee contracts with Counterparty on terms that are identical to the terms of this Agreement (save for any amendments that are necessary to reflect, or are a natural consequence of, the fact that the Transferee is to be substituted for Morgan) or such transfer is effected for the purpose of Section 6(b)(ii) or at a time when a Ratings Event I is continuing, Counterparty has determined that the condition in (4)(y) above is satisfied and has communicated such determination to Morgan in writing; and
6. the Transferee accedes to all of the Transaction Documents to which Morgan is party.

Following a Qualifying Novation, all references to Morgan shall be deemed to be references to the Transferee.

“Rating Agencies” means Moody’s and Fitch, as applicable.

“Rating Agency” means Moody’s or Fitch, as applicable.

“Ratings Event” means any of a Ratings Event I or Ratings Event II as applicable and Ratings Events means all of them collectively.

“Ratings Event I” shall occur, with respect to the relevant Rating Agencies, if no Relevant Entity has the Ratings Event I Required Ratings as specified below.

An entity will have the **“Ratings Event I Required Ratings”**:

- (a) with respect to Moody’s, (i) if its short-term, unsecured and unsubordinated debt or counterparty obligations are rated “Prime-1” or above by Moody’s and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated “A2” or above by Moody’s or (ii) if such entity’s short-term, unsecured and unsubordinated debt or counterparty obligations are not rated by Moody’s, if its

long-term, unsecured and unsubordinated debt or counterparty obligations are rated “A1” or above by Moody’s; and

- (b) with respect to Fitch, if:
 - (A) the highest rated outstanding Class A Notes have a rating of “AAAsf”, the short-term Issuer Default Rating assigned to it by Fitch is “F1” or above and the long-term Issuer Default Rating assigned to it by Fitch is “A” or above; or
 - (B) the highest rated outstanding Class A Notes have a rating of “AA+sf” or lower (but higher than “A+sf”), the short-term Issuer Default Rating assigned to it by Fitch is “F2” or above and the long-term Issuer Default Rating assigned to it by Fitch is “A-” or above; or
 - (C) the highest rated outstanding Class A Notes have a rating of “A+sf” or lower (but higher than “BBB+sf”), the short-term Issuer Default Rating assigned to it by Fitch is “F2” or above and the long-term Issuer Default Rating assigned to it by Fitch is “BBB+” or above; or
 - (D) the highest rated outstanding Class A Notes have a rating of “BBB+sf” or lower (but higher than “BB+sf”), the short-term Issuer Default Rating assigned to it by Fitch is “F3” or above and the long-term Issuer Default Rating assigned to it by Fitch is “BBB-” or above; or
 - (E) the highest rated outstanding Class A Notes have a rating of “BB+sf” or lower (but higher than “B+sf”), the long-term Issuer Default Rating assigned to it by Fitch is equal to or higher than the highest rated outstanding Class A Notes; or
 - (F) the highest rated outstanding Class A Notes have a rating of “B+sf” or lower, the long-term Issuer Default Rating assigned to it by Fitch is equal to or higher than the highest rated outstanding Class A Notes; or

“Ratings Event II” shall occur, with respect to the relevant Rating Agencies, if no Relevant Entity has the Ratings Event II Required Ratings as specified below.

An entity will have the **“Ratings Event II Required Ratings”**:

- (a) with respect to Moody’s, (i) if its short-term, unsecured and unsubordinated debt or counterparty obligations are rated “Prime-2” or above and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated “A3” or above by Moody’s or (ii) if such entity’s short-term, unsecured and unsubordinated debt or counterparty obligations are not rated by Moody’s, if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated “A3” or above by Moody’s; and
- (b) with respect to Fitch, if
 - (A) the highest rated outstanding Class A Notes have a rating of “AAAsf”, the short-term Issuer Default Rating assigned to it by Fitch is “F3” or

above and the long-term Issuer Default Rating assigned to it by Fitch is “BBB-” or above; or

- (B) the highest rated outstanding Class A Notes have a rating of “AA+sf” or lower (but higher than “A+sf”), the short-term Issuer Default Rating assigned to it by Fitch is “F3” or above and the long-term Issuer Default Rating assigned to it by Fitch is “BBB-” or above; or
- (C) the highest rated outstanding Class A Notes have a rating of “A+sf” or lower (but higher than “BBB+sf”), the long-term Issuer Default Rating assigned to it by Fitch is “BB+” or above; or
- (D) the highest rated outstanding Class A Notes have a rating of “BBB+sf” or lower (but higher than “BB+sf”), the long-term Issuer Default Rating assigned to it by Fitch is “BB-” or above; or
- (E) the highest rated outstanding Class A Notes have a rating of “BB+sf” or lower (but higher than “B+sf”), the long-term Issuer Default Rating assigned to it by Fitch is “B” or above; or
- (F) the highest rated outstanding Class A Notes have a rating of “B+sf” or lower, the long-term Issuer Default Rating assigned to it by Fitch is equal to or higher than the highest rated outstanding Class A Notes; or

“Relevant Entity” means Morgan, JPMorgan Chase Bank, National Association, or any guarantor under an Eligible Guarantee in respect of all Morgan's present and future obligations under this Agreement.

“Secured Obligations” has the meaning given to it in the Master Definitions.

“Security Trustee” means Deutsche Trustee Company Limited, acting as Security Trustee under the terms of the Deed of Charge, or such other person as may from time to time be appointed as security trustee (or co-trustee) pursuant to the Deed of Charge.

“Swap Collateral Account” has the meaning given to it in the Master Definitions.

“Swap Collateral Account Bank” means the bank with which the Counterparty agrees to open any Swap Collateral Accounts.

“Swap Collateral Bank Account Agreement” means an agreement between, *inter alios*, the Counterparty and a Swap Collateral Account Bank, pursuant to which the Counterparty will open one or more Swap Collateral Accounts with a Swap Collateral Account Bank.

“Transaction Documents” has the meaning given to it in the Master Definitions.

“Trust Deed” means the trust deed dated 1 October 2012 between, amongst others, the Counterparty and the Note Trustee constituting the Notes (as the same may be amended, restated, varied supplemented, replaced and/or novated from time to time).

(2) ***Amendment to Section 7 of the Agreement.***

The following provisions shall be added to the end of Section 7:

A. Qualifying Novations

I. if the Counterparty elects to determine whether or not a transfer is a Qualifying Novation, it shall do so in a commercially reasonable manner.

II. If an entity has made a Firm Offer (which remains capable of becoming legally binding upon acceptance) to be the transferee of a Qualifying Novation, the Counterparty shall at Morgan's written request and cost, take any reasonable steps required to be taken by it to effect such transfer.

III. No consent from the Counterparty or Note Trustee or Security Trustee is required for a transfer that is a Qualifying Novation and is required pursuant to Part 6(1) above.

B. Other Transfers

Transfers other than Qualifying Novations or transfers under Section 7(a) of this Agreement shall not be effective unless the Rating Agencies have been given prior written notice of such transfer in accordance with the provisions of Part 5(j) (*Rating Agency Notifications*) provided that Counterparty may transfer (whether by way of security or otherwise) any interest or obligation in or under this Agreement pursuant to the Transaction Documents.

(3) ***Termination Amounts***

Notwithstanding Section 6 of this Agreement, if an Early Termination Date is designated at a time when Morgan is (A) the Affected Party in respect of an Additional Termination Event or a Tax Event Upon Merger or (B) the Defaulting Party in respect of any Event of Default, paragraphs (i) to (vi) below shall apply:

(i) The definition of "Market Quotation" shall be deleted in its entirety and replaced with the following:

"Market Quotation" means, with respect to one or more Terminated Transactions, a Firm Offer (which may be solicited by either the Counterparty or Morgan) which is (1) made by an Eligible Replacement, (2) for an amount that would be paid to the Counterparty (expressed as a negative number) or by the Counterparty (expressed as a positive number) in consideration of an agreement between Counterparty and such Eligible Replacement to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for the Counterparty the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under this Agreement in respect of such Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date, (3) made on the basis that Unpaid Amounts in respect of the Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction

of each applicable condition precedent) after that Early Termination Date is to be included and (4) made in respect of a Replacement Transaction with terms that are, in all material respects, no less beneficial for the Counterparty than those of this Agreement (save for the exclusion of provisions relating to Transactions that are not Terminated Transactions), as determined by the Counterparty.”

- (ii) In determining whether or not a Firm Offer satisfies the condition in subparagraph (4) of the definition of Market Quotation, the Counterparty shall act in a commercially reasonable manner.
- (iii) The definition of “Settlement Amount” shall be deleted in its entirety and replaced with the following:

“Settlement Amount” means, with respect to any Early Termination Date:

- (a) if, on or prior to such Early Termination Date, a Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by the Counterparty so as to become legally binding, the Termination Currency Equivalent of the amount (whether positive or negative) of such Market Quotation;
 - (b) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by the Counterparty so as to become legally binding and one or more Market Quotations have been communicated to the Counterparty and remain capable of becoming legally binding upon acceptance by the Counterparty, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of such Market Quotations (and, for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or
 - (c) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by the Counterparty so as to become legally binding and no Market Quotations have been communicated to the Counterparty and remain capable of becoming legally binding upon acceptance by the Counterparty, the Counterparty’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for the relevant Terminated Transaction or group of Terminated Transactions.”
- (iv) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to the Counterparty and remain capable of becoming legally binding upon acceptance by the Counterparty, the Counterparty shall be entitled to accept only the lowest of such Market Quotations (and, for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value).

- (v) If the Counterparty requests Morgan in writing to obtain Market Quotations, Morgan shall use its reasonable efforts to do so on or before the Early Termination Date. Morgan may also elect to obtain Market Quotations without a request from the Counterparty.
- (vi) For the purpose of avoiding any double counting, in determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Approved Credit Support Document shall be disregarded.

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

J.P. MORGAN SECURITIES PLC

By: 

Name: TIMSON NERUS

Title: VICE PRESIDENT

BRASS NO.2 PLC

By: _____

Name:

Title:

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

J.P. MORGAN SECURITIES PLC

By: _____

Name:

Title:

BRASS NO.2 PLC

By: _____

Name:

Title:

**Mark Filer
Director**