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ISMA

International Securities Market Association  
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2000 VERSION

TBMA/ISMA  
GLOBAL MASTER REPURCHASE AGREEMENT

Dated as of 4th May 2006

Between:

Lehman Brothers International (Europe)

("Party A")

and

Barclays Bank PLC

("Party B")

1. Applicability

- (a) From time to time the parties hereto may enter into transactions in which one party, acting through a Designated Office, ("Seller") agrees to sell to the other, acting through a Designated Office, ("Buyer") securities and financial instruments ("Securities") (subject to paragraph 1(c), other than equities and Net Paying Securities) against the payment of the purchase price by Buyer to Seller, with a simultaneous agreement by Buyer to sell to Seller Securities equivalent to such Securities at a date certain or on demand against the payment of the repurchase price by Seller to Buyer.
- (b) Each such transaction (which may be a repurchase transaction ("Repurchase Transaction") or a buy and sell back transaction ("Buy/Sell Back Transaction")) shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

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- (c) If this Agreement may be applied to -
- (i) Buy/Sell Back Transactions, this shall be specified in Annex I hereto, and the provisions of the Buy/Sell Back Annex shall apply to such Buy/Sell Back Transactions;
  - (ii) Net Paying Securities, this shall be specified in Annex I hereto and the provisions of Annex I, paragraph 1(b) shall apply to Transactions involving Net Paying Securities.
- (d) If Transactions are to be effected under this Agreement by either party as an agent, this shall be specified in Annex I hereto, and the provisions of the Agency Annex shall apply to such Agency Transactions.

## 2. Definitions

- (a) "Act of Insolvency" shall occur with respect to any party hereto upon -
- (i) its making a general assignment for the benefit of, entering into a reorganisation, arrangement, or composition with creditors; or
  - (ii) its admitting in writing that it is unable to pay its debts as they become due; or
  - (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
  - (iv) the presentation or filing of a petition in respect of it (other than by the counterparty to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency of such party (or any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply) not having been stayed or dismissed within 30 days of its filing; or
  - (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such party or over all or any material part of such party's property; or
  - (vi) the convening of any meeting of its creditors for the purposes of considering a voluntary arrangement as referred to in section 3 of the Insolvency Act 1986 (or any analogous proceeding);
- (b) "Agency Transaction", the meaning specified in paragraph 1 of the Agency Annex;
- (c) "Appropriate Market", the meaning specified in paragraph 10;



- (d) "Base Currency", the currency indicated in Annex I hereto;
- (e) "Business Day" –
  - (i) in relation to the settlement of any Transaction which is to be settled through Clearstream or Euroclear, a day on which Clearstream or, as the case may be, Euroclear is open to settle business in the currency in which the Purchase Price and the Repurchase Price are denominated;
  - (ii) in relation to the settlement of any Transaction which is to be settled through a settlement system other than Clearstream or Euroclear, a day on which that settlement system is open to settle such Transaction;
  - (iii) in relation to any delivery of Securities not falling within (i) or (ii) above, a day on which banks are open for business in the place where delivery of the relevant Securities is to be effected; and
  - (iv) in relation to any obligation to make a payment not falling within (i) or (ii) above, a day other than a Saturday or a Sunday on which banks are open for business in the principal financial centre of the country of which the currency in which the payment is denominated is the official currency and, if different, in the place where any account designated by the parties for the making or receipt of the payment is situated (or, in the case of a payment in euro, a day on which TARGET operates);
- (f) "Cash Margin", a cash sum paid to Buyer or Seller in accordance with paragraph 4;
- (g) "Clearstream", Clearstream Banking, société anonyme, (previously Cedelbank) or any successor thereto;
- (h) "Confirmation", the meaning specified in paragraph 3(b);
- (i) "Contractual Currency", the meaning specified in paragraph 7(a);
- (j) "Defaulting Party", the meaning specified in paragraph 10;
- (k) "Default Market Value", the meaning specified in paragraph 10;
- (l) "Default Notice", a written notice served by the non-Defaulting Party on the Defaulting Party under paragraph 10 stating that an event shall be treated as an Event of Default for the purposes of this Agreement;
- (m) "Default Valuation Notice", the meaning specified in paragraph 10;
- (n) "Default Valuation Time", the meaning specified in paragraph 10;
- (o) "Deliverable Securities", the meaning specified in paragraph 10;
- (p) "Designated Office", with respect to a party, a branch or office of that party which is



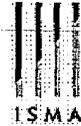
specified as such in Annex I hereto or such other branch or office as may be agreed to by the parties;

- (q) "Distributions", the meaning specified in sub-paragraph (w) below;
- (r) "Equivalent Margin Securities", Securities equivalent to Securities previously transferred as Margin Securities;
- (s) "Equivalent Securities", with respect to a Transaction, Securities equivalent to Purchased Securities under that Transaction. If and to the extent that such Purchased Securities have been redeemed, the expression shall mean a sum of money equivalent to the proceeds of the redemption;
- (t) Securities are "equivalent to" other Securities for the purposes of this Agreement if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other Securities, provided that -
  - (A) Securities will be equivalent to other Securities notwithstanding that those Securities have been redenominated into euro or that the nominal value of those Securities has changed in connection with such redenomination; and
  - (B) where Securities have been converted, subdivided or consolidated or have become the subject of a takeover or the holders of Securities have become entitled to receive or acquire other Securities or other property or the Securities have become subject to any similar event, the expression "equivalent to" shall mean Securities equivalent to (as defined in the provisions of this definition preceding the proviso) the original Securities together with or replaced by a sum of money or Securities or other property equivalent to (as so defined) that receivable by holders of such original Securities resulting from such event;
- (u) "Euroclear", Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System or any successor thereto;
- (v) "Event of Default", the meaning specified in paragraph 10;
- (w) "Income", with respect to any Security at any time, all interest, dividends or other distributions thereon, but excluding distributions which are a payment or repayment of principal in respect of the relevant securities ("Distributions");
- (x) "Income Payment Date", with respect to any Securities, the date on which Income is paid in respect of such Securities or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income;
- (y) "LIBOR", in relation to any sum in any currency, the one month London Inter Bank Offered Rate in respect of that currency as quoted on page 3750 on the Bridge



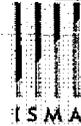
Telerate Service (or such other page as may replace page 3750 on that service) as of 11:00 a.m., London time, on the date on which it is to be determined;

- (z) "Margin Ratio", with respect to a Transaction, the Market Value of the Purchased Securities at the time when the Transaction was entered into divided by the Purchase Price (and so that, where a Transaction relates to Securities of different descriptions and the Purchase Price is apportioned by the parties among Purchased Securities of each such description, a separate Margin Ratio shall apply in respect of Securities of each such description), or such other proportion as the parties may agree with respect to that Transaction;
- (aa) "Margin Securities", in relation to a Margin Transfer, Securities reasonably acceptable to the party calling for such Margin Transfer;
- (bb) "Margin Transfer", any, or any combination of, the payment or repayment of Cash Margin and the transfer of Margin Securities or Equivalent Margin Securities;
- (cc) "Market Value", with respect to any Securities as of any time on any date, the price for such Securities at such time on such date obtained from a generally recognised source agreed to by the parties (and where different prices are obtained for different delivery dates, the price so obtainable for the earliest available such delivery date) (provided that the price of Securities that are suspended shall (for the purposes of paragraph 4) be nil unless the parties otherwise agree and (for all other purposes) shall be the price of those Securities as of close of business on the dealing day in the relevant market last preceding the date of suspension) plus the aggregate amount of Income which, as of such date, has accrued but not yet been paid in respect of the Securities to the extent not included in such price as of such date, and for these purposes any sum in a currency other than the Contractual Currency for the Transaction in question shall be converted into such Contractual Currency at the Spot Rate prevailing at the relevant time;
- (dd) "Net Exposure", the meaning specified in paragraph 4(c);
- (ee) the "Net Margin" provided to a party at any time, the excess (if any) at that time of (i) the sum of the amount of Cash Margin paid to that party (including accrued interest on such Cash Margin which has not been paid to the other party) and the Market Value of Margin Securities transferred to that party under paragraph 4(a) (excluding any Cash Margin which has been repaid to the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred to the other party) over (ii) the sum of the amount of Cash Margin paid to the other party (including accrued interest on such Cash Margin which has not been paid by the other party) and the Market Value of Margin Securities transferred to the other party under paragraph 4(a) (excluding any Cash Margin which has been repaid by the other party and any Margin Securities in respect of which Equivalent Margin Securities have been transferred by the other party) and for this purpose any amounts not denominated in the Base Currency shall be converted into the Base



Currency at the Spot Rate prevailing at the relevant time;

- (ff) "Net Paying Securities", Securities which are of a kind such that, were they to be the subject of a Transaction to which paragraph 5 applies, any payment made by Buyer under paragraph 5 would be one in respect of which either Buyer would or might be required to make a withholding or deduction for or on account of taxes or duties or Seller might be required to make or account for a payment for or on account of taxes or duties (in each case other than tax on overall net income) by reference to such payment;
- (gg) "Net Value", the meaning specified in paragraph 10;
- (hh) "New Purchased Securities", the meaning specified in paragraph 8(a);
- (ii) "Price Differential", with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction (on a 360 day basis or 365 day basis in accordance with the applicable ISMA convention, unless otherwise agreed between the parties for the Transaction), for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of calculation or, if earlier, the Repurchase Date;
- (jj) "Pricing Rate", with respect to any Transaction, the per annum percentage rate for calculation of the Price Differential agreed to by Buyer and Seller in relation to that Transaction;
- (kk) "Purchase Date", with respect to any Transaction, the date on which Purchased Securities are to be sold by Seller to Buyer in relation to that Transaction;
- (ll) "Purchase Price", on the Purchase Date, the price at which Purchased Securities are sold or are to be sold by Seller to Buyer;
- (mm) "Purchased Securities", with respect to any Transaction, the Securities sold or to be sold by Seller to Buyer under that Transaction, and any New Purchased Securities transferred by Seller to Buyer under paragraph 8 in respect of that Transaction;
- (nn) "Receivable Securities", the meaning specified in paragraph 10;
- (oo) "Repurchase Date", with respect to any Transaction, the date on which Buyer is to sell Equivalent Securities to Seller in relation to that Transaction;
- (pp) "Repurchase Price", with respect to any Transaction and as of any date, the sum of the Purchase Price and the Price Differential as of such date;
- (qq) "Special Default Notice", the meaning specified in paragraph 14;
- (rr) "Spot Rate", where an amount in one currency is to be converted into a second currency on any date, unless the parties otherwise agree, the spot rate of exchange



quoted by Barclays Bank PLC in the London inter-bank market for the sale by it of such second currency against a purchase by it of such first currency;

- (ss) "TARGET", the Trans-European Automated Real-time Gross Settlement Express Transfer System;
- (tt) "Term", with respect to any Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date;
- (uu) "Termination", with respect to any Transaction, refers to the requirement with respect to such Transaction for Buyer to sell Equivalent Securities against payment by Seller of the Repurchase Price in accordance with paragraph 3(f), and reference to a Transaction having a "fixed term" or being "terminable upon demand" shall be construed accordingly;
- (vv) "Transaction Costs", the meaning specified in paragraph 10;
- (ww) "Transaction Exposure", with respect to any Transaction at any time during the period from the Purchase Date to the Repurchase Date (or, if later, the date on which Equivalent Securities are delivered to Seller or the Transaction is terminated under paragraph 10(g) or 10(h)), the difference between (i) the Repurchase Price at such time multiplied by the applicable Margin Ratio (or, where the Transaction relates to Securities of more than one description to which different Margin Ratios apply, the amount produced by multiplying the Repurchase Price attributable to Equivalent Securities of each such description by the applicable Margin Ratio and aggregating the resulting amounts, the Repurchase Price being for this purpose attributed to Equivalent Securities of each such description in the same proportions as those in which the Purchase Price was apportioned among the Purchased Securities) and (ii) the Market Value of Equivalent Securities at such time. If (i) is greater than (ii), Buyer has a Transaction Exposure for that Transaction equal to that excess. If (ii) is greater than (i), Seller has a Transaction Exposure for that Transaction equal to that excess; and
- (xx) except in paragraphs 14(b)(i) and 18, references in this Agreement to "written" communications and communications "in writing" include communications made through any electronic system agreed between the parties which is capable of reproducing such communication in hard copy form.

### 3. Initiation; Confirmation; Termination

- (a) A Transaction may be entered into orally or in writing at the initiation of either Buyer or Seller.
- (b) Upon agreeing to enter into a Transaction hereunder Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party written confirmation of such Transaction (a "Confirmation").

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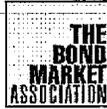
The Confirmation shall describe the Purchased Securities (including CUSIP or ISIN or other identifying number or numbers, if any), identify Buyer and Seller and set forth -

- (i) the Purchase Date;
- (ii) the Purchase Price;
- (iii) the Repurchase Date, unless the Transaction is to be terminable on demand (in which case the Confirmation shall state that it is terminable on demand);
- (iv) the Pricing Rate applicable to the Transaction;
- (v) in respect of each party the details of the bank account[s] to which payments to be made hereunder are to be credited;
- (vi) where the Buy/Sell Back Annex applies, whether the Transaction is a Repurchase Transaction or a Buy/Sell Back Transaction;
- (vii) where the Agency Annex applies, whether the Transaction is an Agency Transaction and, if so, the identity of the party which is acting as agent and the name, code or identifier of the Principal; and
- (viii) any additional terms or conditions of the Transaction;

and may be in the form of Annex II hereto or may be in any other form to which the parties agree.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.

- (c) On the Purchase Date for a Transaction, Seller shall transfer the Purchased Securities to Buyer or its agent against the payment of the Purchase Price by Buyer.
- (d) Termination of a Transaction will be effected, in the case of on demand Transactions, on the date specified for Termination in such demand, and, in the case of fixed term Transactions, on the date fixed for Termination.
- (e) In the case of on demand Transactions, demand for Termination shall be made by Buyer or Seller, by telephone or otherwise, and shall provide for Termination to occur after not less than the minimum period as is customarily required for the settlement or delivery of money or Equivalent Securities of the relevant kind.
- (f) On the Repurchase Date, Buyer shall transfer to Seller or its agent Equivalent Securities against the payment of the Repurchase Price by Seller (less any amount then payable and unpaid by Buyer to Seller pursuant to paragraph 5).



#### 4. Margin Maintenance

- (a) If at any time either party has a Net Exposure in respect of the other party it may by notice to the other party require the other party to make a Margin Transfer to it of an aggregate amount or value at least equal to that Net Exposure.
- (a) A notice under sub-paragraph (a) above may be given orally or in writing.
- (b) For the purposes of this Agreement a party has a Net Exposure in respect of the other party if the aggregate of all the first party's Transaction Exposures plus any amount payable to the first party under paragraph 5 but unpaid less the amount of any Net Margin provided to the first party exceeds the aggregate of all the other party's Transaction Exposures plus any amount payable to the other party under paragraph 5 but unpaid less the amount of any Net Margin provided to the other party; and the amount of the Net Exposure is the amount of the excess. For this purpose any amounts not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate prevailing at the relevant time.
- (c) To the extent that a party calling for a Margin Transfer has previously paid Cash Margin which has not been repaid or delivered Margin Securities in respect of which Equivalent Margin Securities have not been delivered to it, that party shall be entitled to require that such Margin Transfer be satisfied first by the repayment of such Cash Margin or the delivery of Equivalent Margin Securities but, subject to this, the composition of a Margin Transfer shall be at the option of the party making such Margin Transfer.
- (d) Any Cash Margin transferred shall be in the Base Currency or such other currency as the parties may agree.
- (e) A payment of Cash Margin shall give rise to a debt owing from the party receiving such payment to the party making such payment. Such debt shall bear interest at such rate, payable at such times, as may be specified in Annex I hereto in respect of the relevant currency or otherwise agreed between the parties, and shall be repayable subject to the terms of this Agreement.
- (f) Where Seller or Buyer becomes obliged under sub-paragraph (a) above to make a Margin Transfer, it shall transfer Cash Margin or Margin Securities or Equivalent Margin Securities within the minimum period specified in Annex I hereto or, if no period is there specified, such minimum period as is customarily required for the settlement or delivery of money, Margin Securities or Equivalent Margin Securities of the relevant kind.
- (g) The parties may agree that, with respect to any Transaction, the provisions of sub-paragraphs (a) to (g) above shall not apply but instead that margin may be provided separately in respect of that Transaction in which case —



- (i) that Transaction shall not be taken into account when calculating whether either party has a Net Exposure;
  - (ii) margin shall be provided in respect of that Transaction in such manner as the parties may agree; and
  - (iii) margin provided in respect of that Transaction shall not be taken into account for the purposes of sub-paragraphs (a) to (g) above.
- (h) The parties may agree that any Net Exposure which may arise shall be eliminated not by Margin Transfers under the preceding provisions of this paragraph but by the repricing of Transactions under sub-paragraph (j) below, the adjustment of Transactions under sub-paragraph (k) below or a combination of both these methods.
- (i) Where the parties agree that a Transaction is to be repriced under this sub-paragraph, such repricing shall be effected as follows --
- (i) the Repurchase Date under the relevant Transaction (the "Original Transaction") shall be deemed to occur on the date on which the repricing is to be effected (the "Repricing Date");
  - (ii) the parties shall be deemed to have entered into a new Transaction (the "Repriced Transaction") on the terms set out in (iii) to (vi) below;
  - (iii) the Purchased Securities under the Repriced Transaction shall be Securities equivalent to the Purchased Securities under the Original Transaction;
  - (iv) the Purchase Date under the Repriced Transaction shall be the Repricing Date;
  - (v) the Purchase Price under the Repriced Transaction shall be such amount as shall, when multiplied by the Margin Ratio applicable to the Original Transaction, be equal to the Market Value of such Securities on the Repricing Date;
  - (vi) the Repurchase Date, the Pricing Rate, the Margin Ratio and, subject as aforesaid, the other terms of the Repriced Transaction shall be identical to those of the Original Transaction;
  - (vii) the obligations of the parties with respect to the delivery of the Purchased Securities and the payment of the Purchase Price under the Repriced Transaction shall be set off against their obligations with respect to the delivery of Equivalent Securities and payment of the Repurchase Price under the Original Transaction and accordingly only a net cash sum shall be paid by one party to the other. Such net cash sum shall be paid within the period specified in sub-paragraph (g) above.



- (i) The adjustment of a Transaction (the "Original Transaction") under this subparagraph shall be effected by the parties agreeing that on the date on which the adjustment is to be made (the "Adjustment Date") the Original Transaction shall be terminated and they shall enter into a new Transaction (the "Replacement Transaction") in accordance with the following provisions –
- (i) the Original Transaction shall be terminated on the Adjustment Date on such terms as the parties shall agree on or before the Adjustment Date;
  - (ii) the Purchased Securities under the Replacement Transaction shall be such Securities as the parties shall agree on or before the Adjustment Date (being Securities the aggregate Market Value of which at the Adjustment Date is substantially equal to the Repurchase Price under the Original Transaction at the Adjustment Date multiplied by the Margin Ratio applicable to the Original Transaction);
  - (iii) the Purchase Date under the Replacement Transaction shall be the Adjustment Date;
  - (iv) the other terms of the Replacement Transaction shall be such as the parties shall agree on or before the Adjustment Date; and
  - (v) the obligations of the parties with respect to payment and delivery of Securities on the Adjustment Date under the Original Transaction and the Replacement Transaction shall be settled in accordance with paragraph 6 within the minimum period specified in sub-paragraph (g) above.

#### 5. Income Payments

Unless otherwise agreed –

- (i) where the Term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction, Buyer shall on the date such Income is paid by the issuer transfer to or credit to the account of Seller an amount equal to (and in the same currency as) the amount paid by the issuer;
- (ii) where Margin Securities are transferred from one party ("the first party") to the other party ("the second party") and an Income Payment Date in respect of such Securities occurs before Equivalent Margin Securities are transferred by the second party to the first party, the second party shall on the date such Income is paid by the issuer transfer to or credit to the account of the first party an amount equal to (and in the same currency as) the amount paid by the issuer;

and for the avoidance of doubt references in this paragraph to the amount of any Income paid by the issuer of any Securities shall be to an amount paid without any



withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction.

**6. Payment and Transfer**

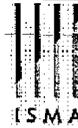
- (a) Unless otherwise agreed, all money paid hereunder shall be in immediately available freely convertible funds of the relevant currency. All Securities to be transferred hereunder (i) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (ii) shall be transferred through the book entry system of Euroclear or Clearstream, or (iii) shall be transferred through any other agreed securities clearance system or (iv) shall be transferred by any other method mutually acceptable to Seller and Buyer.
- (b) Unless otherwise agreed, all money payable by one party to the other in respect of any Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed, the paying party shall pay such additional amounts as will result in the net amounts receivable by the other party (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.
- (c) Unless otherwise agreed in writing between the parties, under each Transaction transfer of Purchased Securities by Seller and payment of Purchase Price by Buyer against the transfer of such Purchased Securities shall be made simultaneously and transfer of Equivalent Securities by Buyer and payment of Repurchase Price payable by Seller against the transfer of such Equivalent Securities shall be made simultaneously.
- (d) Subject to and without prejudice to the provisions of sub-paragraph 6(c), either party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities and money waive in relation to any Transaction its rights under this Agreement to receive simultaneous transfer and/or payment provided that transfer and/or payment shall, notwithstanding such waiver, be made on the same day and provided also that no such waiver in respect of one Transaction shall affect or bind it in respect of any other Transaction.
- (e) The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, any Equivalent Securities, any Margin Securities and any Equivalent Margin Securities shall pass to the party to which transfer is being made upon transfer of the same in accordance with this Agreement, free from all liens, claims, charges and encumbrances.



- (f) Notwithstanding the use of expressions such as "*Repurchase Date*", "*Repurchase Price*", "*margin*", "*Net Margin*", "*Margin Ratio*" and "*substitution*", which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, all right, title and interest in and to Securities and money transferred or paid under this Agreement shall pass to the transferee upon transfer or payment, the obligation of the party receiving Purchased Securities or Margin Securities being an obligation to transfer Equivalent Securities or Equivalent Margin Securities.
- (g) Time shall be of the essence in this Agreement.
- (h) Subject to paragraph 10, all amounts in the same currency payable by each party to the other under any Transaction or otherwise under this Agreement on the same date shall be combined in a single calculation of a net sum payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.
- (i) Subject to paragraph 10, all Securities of the same issue, denomination, currency and series, transferable by each party to the other under any Transaction or hereunder on the same date shall be combined in a single calculation of a net quantity of Securities transferable by one party to the other and the obligation to transfer the net quantity of Securities shall be the only obligation of either party in respect of the Securities so transferable and receivable.
- (j) If the parties have specified in Annex I hereto that this paragraph 6(j) shall apply, each obligation of a party under this Agreement (other than an obligation arising under paragraph 10) is subject to the condition precedent that none of those events specified in paragraph 10(a) which are identified in Annex I hereto for the purposes of this paragraph 6(j) (being events which, upon the serving of a Default Notice, would be an Event of Default with respect to the other party) shall have occurred and be continuing with respect to the other party.

**7. Contractual Currency**

- (a) All the payments made in respect of the Purchase Price or the Repurchase Price of any Transaction shall be made in the currency of the Purchase Price (the "Contractual Currency") save as provided in paragraph 10(c)(ii). Notwithstanding the foregoing, the payee of any money may, at its option, accept tender thereof in any other currency, provided, however, that, to the extent permitted by applicable law, the obligation of the payer to pay such money will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) for delivery within the customary delivery period for spot transactions in respect of the relevant currency.
- (b) If for any reason the amount in the Contractual Currency received by a party, including amounts received after conversion of any recovery under any judgment or

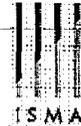


order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due and payable, the party required to make the payment will, as a separate and independent obligation, to the extent permitted by applicable law, immediately transfer such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.

- (c) If for any reason the amount in the Contractual Currency received by a party exceeds the amount of the Contractual Currency due and payable, the party receiving the transfer will refund promptly the amount of such excess.

**8. Substitution**

- (a) A Transaction may at any time between the Purchase Date and Repurchase Date, if Seller so requests and Buyer so agrees, be varied by the transfer by Buyer to Seller of Securities equivalent to the Purchased Securities, or to such of the Purchased Securities as shall be agreed, in exchange for the transfer by Seller to Buyer of other Securities of such amount and description as shall be agreed ("New Purchased Securities") (being Securities having a Market Value at the date of the variation at least equal to the Market Value of the Equivalent Securities transferred to Seller).
- (b) Any variation under sub-paragraph (a) above shall be effected, subject to paragraph 6(d), by the simultaneous transfer of the Equivalent Securities and New Purchased Securities concerned.
- (c) A Transaction which is varied under sub-paragraph (a) above shall thereafter continue in effect as though the Purchased Securities under that Transaction consisted of or included the New Purchased Securities instead of the Securities in respect of which Equivalent Securities have been transferred to Seller.
- (d) Where either party has transferred Margin Securities to the other party it may at any time before Equivalent Margin Securities are transferred to it under paragraph 4 request the other party to transfer Equivalent Margin Securities to it in exchange for the transfer to the other party of new Margin Securities having a Market Value at the time of transfer at least equal to that of such Equivalent Margin Securities. If the other party agrees to the request, the exchange shall be effected, subject to paragraph 6(d), by the simultaneous transfer of the Equivalent Margin Securities and new Margin Securities concerned. Where either or both of such transfers is or are effected through a settlement system in circumstances which under the rules and procedures of that settlement system give rise to a payment by or for the account of one party to or for the account of the other party, the parties shall cause such payment or payments to be made outside that settlement system, for value the same day as the payments made through that settlement system, as shall ensure that the exchange of Equivalent Margin Securities and new Margin Securities effected under this sub-paragraph does not give rise to any net payment of cash by either party to the other.

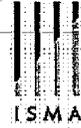


## 9. Representations

Each party represents and warrants to the other that -

- (a) it is duly authorised to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and thereunder and has taken all necessary action to authorise such execution, delivery and performance;
- (b) it will engage in this Agreement and the Transactions contemplated hereunder (other than Agency Transactions) as principal;
- (c) the person signing this Agreement on its behalf is, and any person representing it in entering into a Transaction will be, duly authorised to do so on its behalf;
- (d) it has obtained all authorisations of any governmental or regulatory body required in connection with this Agreement and the Transactions contemplated hereunder and such authorisations are in full force and effect;
- (e) the execution, delivery and performance of this Agreement and the Transactions contemplated hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected;
- (f) it has satisfied itself and will continue to satisfy itself as to the tax implications of the Transactions contemplated hereunder;
- (g) in connection with this Agreement and each Transaction -
  - (i) unless there is a written agreement with the other party to the contrary, it is not relying on any advice (whether written or oral) of the other party, other than the representations expressly set out in this Agreement;
  - (ii) it has made and will make its own decisions regarding the entering into of any Transaction based upon its own judgment and upon advice from such professional advisers as it has deemed it necessary to consult;
  - (iii) it understands the terms, conditions and risks of each Transaction and is willing to assume (financially and otherwise) those risks; and
- (h) at the time of transfer to the other party of any Securities it will have the full and unqualified right to make such transfer and that upon such transfer of Securities the other party will receive all right, title and interest in and to those Securities free of any lien, claim, charge or encumbrance.

On the date on which any Transaction is entered into pursuant hereto, and on each day on which Securities, Equivalent Securities, Margin Securities or Equivalent Margin Securities are to be transferred under any Transaction, Buyer and Seller shall each be



deemed to repeat all the foregoing representations. For the avoidance of doubt and notwithstanding any arrangements which Seller or Buyer may have with any third party, each party will be liable as a principal for its obligations under this Agreement and each Transaction.

**10. Events of Default**

- (a) If any of the following events (each an "Event of Default") occurs in relation to either party (the "Defaulting Party", the other party being the "non-Defaulting Party") whether acting as Seller or Buyer -
- (i) Buyer fails to pay the Purchase Price upon the applicable Purchase Date or Seller fails to pay the Repurchase Price upon the applicable Repurchase Date, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (ii) if the parties have specified in Annex I hereto that this sub-paragraph shall apply, Seller fails to deliver Purchased Securities on the Purchase Date or Buyer fails to deliver Equivalent Securities on the Repurchase Date, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (iii) Seller or Buyer fails to pay when due any sum payable under sub-paragraph (g) or (h) below, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (iv) Seller or Buyer fails to comply with paragraph 4 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (v) Seller or Buyer fails to comply with paragraph 5 and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (vi) an Act of Insolvency occurs with respect to Seller or Buyer and (except in the case of an Act of Insolvency which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (vii) any representations made by Seller or Buyer are incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
  - (viii) Seller or Buyer admits to the other that it is unable to, or intends not to, perform any of its obligations hereunder and/or in respect of any Transaction and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or



- (ix) Seller or Buyer is suspended or expelled from membership of or participation in any securities exchange or association or other self-regulating organisation, or suspended from dealing in securities by any government agency, or any of the assets of either Seller or Buyer or the assets of investors held by, or to the order of, Seller or Buyer are transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation and the non-Defaulting Party serves a Default Notice on the Defaulting Party; or
- (x) Seller or Buyer fails to perform any other of its obligations hereunder and does not remedy such failure within 30 days after notice is given by the non-Defaulting Party requiring it to do so, and the non-Defaulting Party serves a Default Notice on the Defaulting Party;

then sub-paragraphs (b) to (f) below shall apply.

- (b) The Repurchase Date for each Transaction hereunder shall be deemed immediately to occur and, subject to the following provisions, all Cash Margin (including interest accrued) shall be immediately repayable and Equivalent Margin Securities shall be immediately deliverable (and so that, where this sub-paragraph applies, performance of the respective obligations of the parties with respect to the delivery of Securities, the payment of the Repurchase Prices for any Equivalent Securities and the repayment of any Cash Margin shall be effected only in accordance with the provisions of sub-paragraph (c) below).
- (c)
  - (i) The Default Market Values of the Equivalent Securities and any Equivalent Margin Securities to be transferred, the amount of any Cash Margin (including the amount of interest accrued) to be transferred and the Repurchase Prices to be paid by each party shall be established by the non-Defaulting Party for all Transactions as at the Repurchase Date; and
  - (ii) on the basis of the sums so established, an account shall be taken (as at the Repurchase Date) of what is due from each party to the other under this Agreement (on the basis that each party's claim against the other in respect of the transfer to it of Equivalent Securities or Equivalent Margin Securities under this Agreement equals the Default Market Value therefore) and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable (by the party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be due and payable on the next following Business Day. For the purposes of this calculation, all sums not denominated in the Base Currency shall be converted into the Base Currency on the relevant date at the Spot Rate prevailing at the relevant time.



- (d) For the purposes of this Agreement, the "Default Market Value" of any Equivalent Securities or Equivalent Margin Securities shall be determined in accordance with sub-paragraph (e) below, and for this purpose –
- (i) the "Appropriate Market" means, in relation to Securities of any description, the market which is the most appropriate market for Securities of that description, as determined by the non-Defaulting Party;
  - (ii) the "Default Valuation Time" means, in relation to an Event of Default, the close of business in the Appropriate Market on the fifth dealing day after the day on which that Event of Default occurs or, where that Event of Default is the occurrence of an Act of Insolvency in respect of which under paragraph 10(a) no notice is required from the non-Defaulting Party in order for such event to constitute an Event of Default, the close of business on the fifth dealing day after the day on which the non-Defaulting Party first became aware of the occurrence of such Event of Default;
  - (iii) "Deliverable Securities" means Equivalent Securities or Equivalent Margin Securities to be delivered by the Defaulting Party;
  - (iv) "Net Value" means at any time, in relation to any Deliverable Securities or Receivable Securities, the amount which, in the reasonable opinion of the non-Defaulting Party, represents their fair market value, having regard to such pricing sources and methods (which may include, without limitation, available prices for Securities with similar maturities, terms and credit characteristics as the relevant Equivalent Securities or Equivalent Margin Securities) as the non-Defaulting Party considers appropriate, less, in the case of Receivable Securities, or plus, in the case of Deliverable Securities, all Transaction Costs which would be incurred in connection with the purchase or sale of such Securities;
  - (v) "Receivable Securities" means Equivalent Securities or Equivalent Margin Securities to be delivered to the Defaulting Party; and
  - (vi) "Transaction Costs" in relation to any transaction contemplated in paragraph 10(d) or (e) means the reasonable costs, commission, fees and expenses (including any mark-up or mark-down) that would be incurred in connection with the purchase of Deliverable Securities or sale of Receivable Securities, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction;
- (e) (i) If between the occurrence of the relevant Event of Default and the Default Valuation Time the non-Defaulting Party gives to the Defaulting Party a written notice (a "Default Valuation Notice") which –
- (A) states that, since the occurrence of the relevant Event of Default, the non-Defaulting Party has sold, in the case of Receivable Securities, or

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purchased, in the case of Deliverable Securities, Securities which form part of the same issue and are of an identical type and description as those Equivalent Securities or Equivalent Margin Securities, and that the non-Defaulting Party elects to treat as the Default Market Value -

- (aa) in the case of Receivable Securities, the net proceeds of such sale after deducting all reasonable costs, fees and expenses incurred in connection therewith (provided that, where the Securities sold are not identical in amount to the Equivalent Securities or Equivalent Margin Securities, the non-Defaulting Party may either (x) elect to treat such net proceeds of sale divided by the amount of Securities sold and multiplied by the amount of the Equivalent Securities or Equivalent Margin Securities as the Default Market Value or (y) elect to treat such net proceeds of sale of the Equivalent Securities or Equivalent Margin Securities actually sold as the Default Market Value of that proportion of the Equivalent Securities or Equivalent Margin Securities, and, in the case of (y), the Default Market Value of the balance of the Equivalent Securities or Equivalent Margin Securities shall be determined separately in accordance with the provisions of this paragraph 10(e) and accordingly may be the subject of a separate notice (or notices) under this paragraph 10(e)(i)); or
- (bb) in the case of Deliverable Securities, the aggregate cost of such purchase, including all reasonable costs, fees and expenses incurred in connection therewith (provided that, where the Securities purchased are not identical in amount to the Equivalent Securities or Equivalent Margin Securities, the non-Defaulting Party may either (x) elect to treat such aggregate cost divided by the amount of Securities sold and multiplied by the amount of the Equivalent Securities or Equivalent Margin Securities as the Default Market Value or (y) elect to treat the aggregate cost of purchasing the Equivalent Securities or Equivalent Margin Securities actually purchased as the Default Market Value of that proportion of the Equivalent Securities or Equivalent Margin Securities, and, in the case of (y), the Default Market Value of the balance of the Equivalent Securities or Equivalent Margin Securities shall be determined separately in accordance with the provisions of this paragraph 10(e) and accordingly may be the subject of a separate notice (or notices) under this paragraph 10(e)(i));

- (B) states that the non-Defaulting Party has received, in the case of Deliverable Securities, offer quotations or, in the case of Receivable

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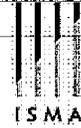
Securities, bid quotations in respect of Securities of the relevant description from two or more market makers or regular dealers in the Appropriate Market in a commercially reasonable size (as determined by the non-Defaulting Party) and specifies -

- (aa) the price or prices quoted by each of them for, in the case of Deliverable Securities, the sale by the relevant market maker or dealer of such Securities or, in the case of Receivable Securities, the purchase by the relevant market maker or dealer of such Securities;
- (bb) the Transaction Costs which would be incurred in connection with such a transaction; and
- (cc) that the non-Defaulting Party elects to treat the price so quoted (or, where more than one price is so quoted, the arithmetic mean of the prices so quoted), after deducting, in the case of Receivable Securities, or adding, in the case of Deliverable Securities, such Transaction Costs, as the Default Market Value of the relevant Equivalent Securities or Equivalent Margin Securities; or

(C) states -

- (aa) that either (x) acting in good faith, the non-Defaulting Party has endeavoured but been unable to sell or purchase Securities in accordance with sub-paragraph (i)(A) above or to obtain quotations in accordance with sub-paragraph (i)(B) above (or both) or (y) the non-Defaulting Party has determined that it would not be commercially reasonable to obtain such quotations, or that it would not be commercially reasonable to use any quotations which it has obtained under sub-paragraph (i)(B) above; and
- (bb) that the non-Defaulting Party has determined the Net Value of the relevant Equivalent Securities or Equivalent Margin Securities (which shall be specified) and that the non-Defaulting Party elects to treat such Net Value as the Default Market Value of the relevant Equivalent Securities or Equivalent Margin Securities,

then the Default Market Value of the relevant Equivalent Securities or Equivalent Margin Securities shall be an amount equal to the Default Market Value specified in accordance with (A), (B)(cc) or, as the case may be, (C)(bb) above.



- (ii) If by the Default Valuation Time the non-Defaulting Party has not given a Default Valuation Notice, the Default Market Value of the relevant Equivalent Securities or Equivalent Margin Securities shall be an amount equal to their Net Value at the Default Valuation Time; provided that, if at the Default Valuation Time the non-Defaulting Party reasonably determines that, owing to circumstances affecting the market in the Equivalent Securities or Equivalent Margin Securities in question, it is not possible for the non-Defaulting Party to determine a Net Value of such Equivalent Securities or Equivalent Margin Securities which is commercially reasonable, the Default Market Value of such Equivalent Securities or Equivalent Margin Securities shall be an amount equal to their Net Value as determined by the non-Defaulting Party as soon as reasonably practicable after the Default Valuation Time.
- (f) The Defaulting Party shall be liable to the non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the non-Defaulting Party in connection with or as a consequence of an Event of Default, together with interest thereon at LIBOR or, in the case of an expense attributable to a particular Transaction, the Pricing Rate for the relevant Transaction if that Pricing Rate is greater than LIBOR.
- (g) If Seller fails to deliver Purchased Securities to Buyer on the applicable Purchase Date Buyer may –
  - (i) if it has paid the Purchase Price to Seller, require Seller immediately to repay the sum so paid;
  - (ii) if Buyer has a Transaction Exposure to Seller in respect of the relevant Transaction, require Seller from time to time to pay Cash Margin at least equal to such Transaction Exposure;
  - (iii) at any time while such failure continues, terminate the Transaction by giving written notice to Seller. On such termination the obligations of Seller and Buyer with respect to delivery of Purchased Securities and Equivalent Securities shall terminate and Seller shall pay to Buyer an amount equal to the excess of the Repurchase Price at the date of Termination over the Purchase Price.
- (h) If Buyer fails to deliver Equivalent Securities to Seller on the applicable Repurchase Date Seller may –
  - (i) if it has paid the Repurchase Price to Buyer, require Buyer immediately to repay the sum so paid;
  - (ii) if Seller has a Transaction Exposure to Buyer in respect of the relevant Transaction, require Buyer from time to time to pay Cash Margin at least equal to such Transaction Exposure;



- (iii) at any time while such failure continues, by written notice to Buyer declare that that Transaction (but only that Transaction) shall be terminated immediately in accordance with sub-paragraph (c) above (disregarding for this purpose references in that sub-paragraph to transfer of Cash Margin and delivery of Equivalent Margin Securities and as if references to the Repurchase Date were to the date on which notice was given under this sub-paragraph).
- (l) The provisions of this Agreement constitute a complete statement of the remedies available to each party in respect of any Event of Default.
- (j) Subject to paragraph 10(k), neither party may claim any sum by way of consequential loss or damage in the event of a failure by the other party to perform any of its obligations under this Agreement.
- (k) (i) Subject to sub-paragraph (ii) below, if as a result of a Transaction terminating before its agreed Repurchase Date under paragraphs 10(b), 10(g)(iii) or 10(h)(iii), the non-Defaulting Party, in the case of paragraph 10(b), Buyer, in the case of paragraph 10(g)(iii), or Seller, in the case of paragraph 10(h)(iii), (in each case the "first party") incurs any loss or expense in entering into replacement transactions, the other party shall be required to pay to the first party the amount determined by the first party in good faith to be equal to the loss or expense incurred in connection with such replacement transactions (including all fees, costs and other expenses) less the amount of any profit or gain made by that party in connection with such replacement transactions; provided that if that calculation results in a negative number, an amount equal to that number shall be payable by the first party to the other party.
- (ii) If the first party reasonably decides, instead of entering into such replacement transactions, to replace or unwind any hedging transactions which the first party entered into in connection with the Transaction so terminating, or to enter into any replacement hedging transactions, the other party shall be required to pay to the first party the amount determined by the first party in good faith to be equal to the loss or expense incurred in connection with entering into such replacement or unwinding (including all fees, costs and other expenses) less the amount of any profit or gain made by that party in connection with such replacement or unwinding; provided that if that calculation results in a negative number, an amount equal to that number shall be payable by the first party to the other party.
- (l) Each party shall immediately notify the other if an Event of Default, or an event which, upon the serving of a Default Notice, would be an Event of Default, occurs in relation to it.



## 11. Tax Event

(a) This paragraph shall apply if either party notifies the other that –

- (i) any action taken by a taxing authority or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a party to this Agreement); or
- (ii) a change in the fiscal or regulatory regime (including, but not limited to, a change in law or in the general interpretation of law but excluding any change in any rate of tax),

has or will, in the notifying party's reasonable opinion, have a material adverse effect on that party in the context of a Transaction.

- (b) If so requested by the other party, the notifying party will furnish the other with an opinion of a suitably qualified adviser that an event referred to in sub-paragraph (a)(i) or (ii) above has occurred and affects the notifying party.
- (c) Where this paragraph applies, the party giving the notice referred to in sub-paragraph (a) may, subject to sub-paragraph (d) below, terminate the Transaction with effect from a date specified in the notice, not being earlier (unless so agreed by the other party) than 30 days after the date of the notice, by nominating that date as the Repurchase Date.
- (d) If the party receiving the notice referred to in sub-paragraph (a) so elects, it may override that notice by giving a counter-notice to the other party. If a counter-notice is given, the party which gives the counter-notice will be deemed to have agreed to indemnify the other party against the adverse effect referred to in sub-paragraph (a) so far as relates to the relevant Transaction and the original Repurchase Date will continue to apply.
- (e) Where a Transaction is terminated as described in this paragraph, the party which has given the notice to terminate shall indemnify the other party against any reasonable legal and other professional expenses incurred by the other party by reason of the termination, but the other party may not claim any sum by way of consequential loss or damage in respect of a termination in accordance with this paragraph.
- (f) This paragraph is without prejudice to paragraph 6(b) (obligation to pay additional amounts if withholding or deduction required); but an obligation to pay such additional amounts may, where appropriate, be a circumstance which causes this paragraph to apply.

## 12. Interest

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Contract

To the extent permitted by applicable law, if any sum of money payable hereunder or under any Transaction is not paid when due, interest shall accrue on the unpaid sum as a separate debt at the greater of the Pricing Rate for the Transaction to which such sum relates (where such sum is referable to a Transaction) and LIBOR on a 360 day basis or 365 day basis in accordance with the applicable ISMA convention, for the actual number of days during the period from and including the date on which payment was due to, but excluding, the date of payment.

Lehman Brothers

By \_\_\_\_\_  
Title **ANI**  
Date **Aut**

**13. Single Agreement**

Each party acknowledges that, and has entered into this Agreement and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that all Transactions hereunder constitute a single business and contractual relationship and are made in consideration of each other. Accordingly, each party agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, and (ii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder.

**14. Notices and Other Communications**

- (a) Any notice or other communication to be given under this Agreement -
  - (i) shall be in the English language, and except where expressly otherwise provided in this Agreement, shall be in writing;
  - (ii) may be given in any manner described in sub-paragraphs (b) and (c) below;
  - (iii) shall be sent to the party to whom it is to be given at the address or number, or in accordance with the electronic messaging details, set out in Annex I hereto.
- (b) Subject to sub-paragraph (c) below, any such notice or other communication shall be effective -
  - (i) if in writing and delivered in person or by courier, at the time when it is delivered;
  - (ii) if sent by telex, at the time when the recipient's answerback is received;
  - (iii) if sent by facsimile transmission, at the time when the 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);

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**ANNEX 1**

**Supplemental Terms or Conditions  
To the TBMA/ISMA Global Master Repurchase Agreement**

Dated as of 4th May 2006

Between  
**LEHMAN BROTHERS INTERNATIONAL (EUROPE)** ("Party A"),  
a company incorporated with unlimited liability under the laws of England and Wales  
and

**BARCLAYS BANK PLC** ("Party B")  
a bank organized under the laws of England and Wales

Paragraph references are to paragraphs in the Agreement.

**1. The following elections shall apply -**

- (a) paragraph 1(c)(i). Buy/Sell Back Transactions may be effected under this Agreement, and accordingly the Buy/Sell Back Annex shall apply.
- (b) paragraph 1(c)(ii). Transactions in equities and Net Paying Securities may not be effected under this Agreement.
- (c) paragraph 1(d). Agency Transactions may not be effected under this Agreement, and accordingly the Agency Annex not shall apply.
- (d) In addition, the following Annexes shall also apply with respect to relevant Transactions:
  - Equities Annex
  - Italian Annex
  - Gilts Annex
  - Japanese Securities Annex
  - U.S. Securities Addendum
- (e) paragraph 2(d). The Base Currency shall be:
  - (i) for the purposes of paragraph 4, United States Dollars.
  - (ii) for the purposes of paragraph 10, where the Defaulting Party is Party B, United States Dollars and, where the Defaulting Party is Party A, Euro.
- (f) paragraph 2(p). Buyer's and Seller's Designated Offices:
  - Party A: London and Frankfurt.
  - Party B: London.
- (g) paragraph 2(cc). The pricing source for calculation of Market Value shall be: Market Value will be calculated in accordance with market practice prevailing in the principal market for the relevant securities as agreed between the parties.

- (h) paragraph 2(rr). Spot rate to be: as specified in paragraph 2(rr).
- (i) paragraph 3(b). Both Seller and Buyer to deliver Confirmation.
- (j) paragraph 4(f). Interest rate on Cash Margin to be Effective Open Federal Funds rate in USD (available on Bloomberg page TEL5) for USD, EONIA for Euro (available on Bloomberg page EBF) and SONIA for GBP (available on Bloomberg page BBAM).

Interest to be payable upon redelivery of any Cash Margin.

- (k) paragraph 4(g). Delivery period for margin calls to be as per paragraph 4(g).
- (l) paragraph 6(j). Paragraph 6(j) shall apply, and the events specified in paragraph 10(a) identified for the purposes of paragraph 6(j) shall be those set out in sub paragraphs (i), and (ii) through (x) of paragraph 10(a) of this Agreement.
- (m) paragraph 10(a)(ii). Paragraph 10(a)(ii) shall not apply.
- (n) paragraph 14. For the purposes of paragraph 14 of this Agreement -

(i) Address for notices and other communications for Party A -

(a) Address: **Lehman Brothers International (Europe) – Head Office**  
25 Bank Street, London E14 5LE

Attention:

For trading issues: Trading Manager, Central Funding Desk  
Telephone: 44 (20) 7260 2333  
e-mail: [cfueurope@exeulon.lehman.com](mailto:cfueurope@exeulon.lehman.com)

For confirmation issues: Trade Support / Operations  
Telephone: 44 (20) 7102 3002/2971  
Facsimile: 44 (20) 7102 3022/2518  
e-mail: [fidfinancing@exeulon.lehman.com](mailto:fidfinancing@exeulon.lehman.com)

For margin issues: Global Margin Europe  
Telephone: 44 (20) 7011 7290  
Facsimile: 44 (20) 7260 1324  
e-mail: [repofutmargin@exeulon.lehman.com](mailto:repofutmargin@exeulon.lehman.com)

For documentation issues: Transaction Management (London)  
Telephone: 44 (20) 7102 1730  
Facsimile: 44 (20) 7102 2044  
e-mail: [lrouse@lehman.com](mailto:lrouse@lehman.com); [vsharp@lehman.com](mailto:vsharp@lehman.com)

(b) Address: **Lehman Brothers International (Europe) – Frankfurt Branch**  
Rathenauplatz 1, D-60313 Frankfurt am Main, Germany

Attention:

For trading issues: Trading Manager, Central Funding Desk  
Telephone: 44 (20) 7260 2333  
e-mail: [cfueurope@exeulon.lehman.com](mailto:cfueurope@exeulon.lehman.com)

For confirmation issues: Trade Support / Operations

Telephone: 44 (20) 7120 3002/2971  
Facsimile: 44 (20) 7120 3022/2518  
e-mail: [fidfinancing@exeulon.lehman.com](mailto:fidfinancing@exeulon.lehman.com)

For margin issues: Global-Margin Europe (London)

Telephone: 44 (20) 7011 7290  
Facsimile: 44 (20) 7260 1324  
e-mail: [repofutmargin@exeulon.lehman.com](mailto:repofutmargin@exeulon.lehman.com)

For documentation issues: Transaction Management (London)

Telephone: 44 (20) 7102 1730  
Facsimile: 44 (20) 7102 2044  
e-mail: [lrouse@lehman.com](mailto:lrouse@lehman.com); [vsharp@lehman.com](mailto:vsharp@lehman.com)

(ii) Address for notices and other communications for Party B -

Address: Barclays Bank PLC  
5 The North Colonnade  
Canary Wharf  
London  
E14 4BB  
Attention: Legal Director  
Telephone: 44 (20) 7773 2224  
Facsimile: 44 (20) 7773 4932

(p) paragraph 17. For the purposes of paragraph 17 of this Agreement -

- (i) Party A is not required to appoint an agent for service of process.
- (ii) Party B is not required to appoint agent for service of process.

## 2. The following supplemental terms and conditions shall apply -

### Existing Transactions

- (a) All Repurchase Transactions and Buy/Sell Back Transactions entered into by the parties prior to the date of this Agreement which are outstanding at the date of the Agreement, including but not limited to Transactions entered into under the PSA ISMA GMRA Agreement dated 2<sup>nd</sup> January 1996 or the PSA ISMA GMRA Agreement dated 5<sup>th</sup> January 2001 (the "Old Agreements"), shall be deemed to be entered into pursuant to this Agreement and shall be governed by the terms of this Agreement. The Old Agreements shall be terminated, and have no further force or effect upon execution of this Agreement.

### Forward Transactions

- (b) The parties agree that Forward Transactions (as defined in sub-paragraph (i)(A) below) may be effected under this Agreement, and accordingly the provisions of sub-paragraphs (i) to (iv) below shall apply.

(i) The following definitions shall apply -

(A) "Forward Transaction", a Transaction in respect of which the Purchase Date is at least three Business Days after the date on which the Transaction was entered into and has not yet occurred;

(B) "Forward Repricing Date", with respect to any Forward Transaction, the date which is such number of Business Days before the Purchase Date as is equal to the minimum period for the delivery of margin applicable under paragraph 4(g).

(ii) The Confirmation relating to any Forward Transaction may describe the Purchased Securities by reference to a type or class of Securities, which, without limitation, may be identified by issuer or class of issuers and a maturity or range of maturities. Where this paragraph applies, the parties shall agree the actual Purchased Securities not less than two Business Days before the Purchase Date and Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party a Confirmation which shall describe such Purchased Securities.

(iii) At any time between the Forward Repricing Date and the Purchase Date for any Forward Transaction the parties may agree either -

(A) to adjust the Purchase Price under that Forward Transaction; or

(B) to adjust the number of Purchased Securities to be sold by Seller to Buyer under that Forward Transaction.

(iv) Where the parties agree to an adjustment under paragraph (iii) above, Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party a Confirmation of the Forward Transaction, as adjusted under paragraph (iii) above.

(c) With respect to any Forward Transaction, paragraphs 2 and 4 of the Agreement are amended as follows.

(i) Paragraph 2(w) is deleted and replaced by the following -

"(w) Transaction Exposure means -

(i) with respect to any Forward Transaction at any time between the Forward Repricing Date and the Purchase Date, the difference between (A) the Market Value of the Purchased Securities at the relevant time and (B) the Purchase Price;

(ii) with respect to any Transaction at any time during the period (if any) from the Purchase Date to the date on which the Purchased Securities are delivered to Buyer or, if earlier, the date on which the Transaction is terminated under paragraph 10(g), the difference between (A) the Market Value of the Purchased Securities at the relevant time and (B) the Repurchase Price at the relevant time;

(iii) with respect to any Transaction at any time during the period from the Purchase Date (or, if later, the date on which the Purchased Securities are delivered to Buyer or the Transaction is terminated under paragraph 10(g)) to the Repurchase Date (or, if later, the date on which Equivalent Securities are delivered to Seller or the Transaction

is terminated under paragraph 10(h)), the difference between (A) the Repurchase Price at the relevant time multiplied by the applicable Margin Ratio (or, where the Transaction relates to Securities of more than one description to which different Margin Ratios apply, the amount produced by multiplying the Repurchase Price attributable to Equivalent Securities of each such description by the applicable Margin Ratio and aggregating the resulting amounts, the Repurchase Price being for this purpose attributed to Equivalent Securities of each such description in the same proportions as those in which the Purchase Price was apportioned among the Purchased Securities) and (B) the Market Value of Equivalent Securities at the relevant time.

In each case, if (A) is greater than (B), Buyer has a Transaction Exposure for that Transaction equal to the excess, and if (B) is greater than (A), Seller has a Transaction Exposure to Buyer equal to the excess."

(ii) In paragraph 4(c) -

(A) the words "any amount payable to the first party under paragraph 5 but unpaid" are deleted and replaced by "any amount which will become payable to the first party under paragraph 5 during the period after the time at which the calculation is made which is equal to the minimum period for the delivery of margin applicable under paragraph 4(g) or which is payable to the first party under paragraph 5 but unpaid"; and

(B) the words "any amount payable to the other party under paragraph 5 but unpaid" are deleted and replaced by "any amount which will become payable to the other party under paragraph 5 during the period after the time at which the calculation is made which is equal to the minimum period for the delivery of margin applicable under paragraph 4(g) or which is payable to the other party under paragraph 5 but unpaid".

(d) **Emerging Market Securities.** These terms and conditions apply only to Transactions in "emerging market securities" (as defined in sub-clause (iii) below):

(i) If any Securities have been suspended from their principal trading market or the Buyer is unable to obtain a Market Value for such Securities from a generally recognised source:

(A) for the purpose of paragraph 4, the Securities' value shall be nil;

(B) the Buyer shall deliver the Securities to the Seller upon delivery to the Buyer of sufficient New Purchased Securities and, if necessary, Equivalent Margin Securities or Cash Margin to satisfy the conditions of paragraph 4;

(C) in addition, the Buyer may, by written notice to the Seller, accelerate the relevant Repurchase Date to any Business Day that is not earlier than two (2) Business Days after the effective date of the notice.

(ii) If, during the course of any Transaction in emerging market securities:

(A) there is a material adverse change in, or event which could have a material adverse effect on, the business or financial position of either party (that party being the affected party) which, in the commercially reasonable judgement of the other party, could impair the affected party's ability to perform its obligations under this Agreement or any such Transaction; or

(B) in the country of incorporation of either party or the country of incorporation of the issuer of the Securities:

(1) there is a force majeure event or act of state, including but not limited to any of the following, and such event prevents either party from delivering or receiving the relevant Securities:

(aa) a declaration of national emergency; or

(bb) a disaster or civil unrest that would constitute a national emergency; or

(cc) the imposition of martial law; or

(dd) a declaration of war by or against that country; or

(ee) a declaration of a general banking moratorium.

(2) it is unlawful or impossible for either party to so make or receive a payment or delivery in connection with such Securities, or

(3) an event occurs which, if the date of the occurrence were the Valuation, Settlement or Payment Date for the Transaction, would prevent valuation, settlement or payment in accordance with this Agreement or make valuations, settlement or payment unlawful or impossible;

(the party with respect to which or in respect of whose country of organisation the event occurs being the affected party or if the event occurs in the jurisdiction of the issuer of the Securities (and neither party is incorporated in the issuer's country), both parties being affected parties); or

(C) the value of the Securities falls more than 25% below the total of Purchase Price plus accrued Price Differential (the Seller being the affected party); or

(D) either party's ultimate parent company fails to maintain a rating of Baa3 or higher from Moody's Investor Services,

Inc. and BBB- or higher from Standard & Poor's Corporation on its long-term, senior unsecured debt (that party being the affected party),

then a party may, by written notice to the affected party (or to the other party if both parties are the affected parties), accelerate the Repurchase Date to any Business Day that is not earlier than one Business Day after the date of the notice.

(iii) "emerging market securities" shall mean all Securities not issued in:

Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United Kingdom, United States of America or as otherwise agreed between the parties.

(e) (i) This paragraph applies where a party to the Agreement is incorporated in Germany or has a branch located in Germany.

(ii) In this paragraph – "Insolvenzordnung" means the Insolvency Act, which came into force in Germany on 1 January 1999. "Insolvenzverfahren" means insolvency proceedings instituted under that Act and "Insolvenzverwalter" means as *Insolvenzverwalter* appointed under that Act.

(iii) Without limiting any other provision of Paragraph 2(a) or Paragraph 10 of the Agreement, in the case of a party incorporated in Germany or has a branch located in Germany:

(aa) the reference to an analogous officer in Paragraph 2(a)(iii) and (v) shall include *Insolvenzverwalter*;

(bb) the reference to any analogous proceeding in Paragraph 2(a)(iv) shall include an *Insolvenzverfahren*; and

(cc) an Event of Default shall for the purposes of Paragraph 10 of the Agreement occur immediately, and without the need for the service of a Default Notice, if an application is made for the institution of an *Insolvenzverfahren* or if measures are taken pursuant to §§ 46 or 46a para.1 of the German Banking Act (*Kreditwesengesetz*).

(f) The Party (the "Relevant Party") who has prepared the text of this Agreement for execution warrants and undertakes to the other Party that such text conforms exactly to the text of the standard form Global Master Repurchase Agreement published by The Bond Market Association in October 2000, as amended by this Annex I.

(g) Each Party shall deliver to the other the following documents promptly upon executing the Agreement:

Party A: evidence of signing authority (including specimen of signature)

Party B: evidence of signing authority (including specimen of signature)

- (h) (i) Party A is a company incorporated under the laws of England
- (ii) Party B is a company incorporated under the laws of England.

ANNEX II

Form of Confirmation

To:

From:

Date:

Subject: [Repurchase][Buy/Sell Back]\* Transaction  
(Reference Number: )

Dear Sirs,

The purpose of this [letter / facsimile / telex], a "Confirmation" for the purposes of the Agreement, is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Contract Date referred to below.

This Confirmation supplements and forms part of, and is subject to, the Global Master Repurchase Agreement as entered into between us as of [ ] as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

1. Contract Date:
2. Purchased Securities [state type[s] and nominal value[s]]:
3. CUSIP, ISIN or other identifying number[s]:
4. Buyer:
5. Seller:
6. Purchase Date:
7. Purchase Price:
8. Contractual Currency:
9. Repurchase Date]:\*
10. Terminable on demand]:\*
11. Pricing Rate:
- [12. Sell Back Price]:\*
13. Buyers Bank Account[s] Details:
14. Sellers Bank Account[s] Details:
- [15. The Transaction is an Agency Transaction. [Name of Agent] is acting as agent for [name or identifier of Principal]]:\*

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[16. Additional Terms]:\*

Yours faithfully,

\* Delete as appropriate

**TBMA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT (2000 VERSION)**

**GILTS ANNEX**

**Supplemental terms and conditions where repurchase transactions are to effected in UK gilt-edged securities**

**1. Interpretation**

1.1 In this Part of this Annex -

- (a) the **Agreement** means the Agreement dated 4th May 2006 substantially in the form of the TBMA/ISMA Global Master Repurchase Agreement (2000 Version) of which this Annex forms part;
- (b) **CREST** means the computer-based system and associated clerical procedures established by CRESTCo Limited to facilitate the transfer of gilt-edged securities and other uncertificated securities;
- (c) **CHAPS system** means the same day payment system operated by the CHAPS Clearing Company Limited;
- (d) **gilt-edged securities** means securities which are gilt-edged securities for the purposes of section 50 (7) of the Income and Corporation Taxes Act 1988.

1.2 Terms to which a defined meaning is given in the Agreement have the same meanings in this Annex.

**2. Scope**

2.1 The parties have agreed that the Transactions to which the Agreement applies may include Transactions in respect of gilt-edged securities.

2.2 The terms and conditions set out in this Annex apply to Transactions in respect of gilt-edged securities and, to the extent and in the circumstances provided in paragraph 3.3(c) below, Transactions wholly or partly in respect of such other securities as are referred to in that paragraph.

**3. CREST**

3.1 CREST shall be an agreed securities clearance system for the purposes of paragraph 6(a)(iii) of the Agreement.

3.2 Where under the rules and procedures of the CREST the delivery of any Securities from a securities account in the name of one party or its nominee or agent (**the transferor**) to a securities account in the name of the other party or its nominee or agent (**the transferee**) gives rise to an assured payment obligation by which the settlement bank acting for the transferee is obliged to make a payment to the settlement bank acting for the transferor, the creation of that assured payment obligation shall for the purposes of the Agreement and any

Transaction be treated as a payment from the transferee to the transferor of an amount equal to the amount of the assured payment obligation.

3.3(a) Subject to and in accordance with the following provisions of the sub-paragraph, the parties may agree to enter into an overnight sale and repurchase transaction (a **DBV Transaction**) to be effected under the "delivery-by-value" facility of CREST.

(b) The Confirmation relating to a DBV Transaction -

- (i) shall specify the Transaction as a DBV Transaction;
- (ii) shall not describe the Purchased Securities;
- (iii) shall specify as the Purchase Price the consideration to be input in respect of the delivery of the Purchased Securities through CREST;
- (iv) shall specify the pricing rate for that DBV Transaction.

(c) The Purchased Securities under a DBV Transaction shall be such Securities (which may include Securities which are not gilt-edged securities) as shall be selected and delivered by CREST on the apportionment of securities to the relevant delivery in accordance with the rules and procedures of CREST.

(d) The amount by which the Repurchase Price under a DBV Transaction exceeds the Purchase Price shall be paid by Seller to Buyer on the Repurchase Date on or as soon as practicable after the delivery of Equivalent Securities through CREST from a securities account of Buyer to a securities account of Seller. Such payment shall be made through CREST or outside CREST in same day funds.

(e) If on the Repurchase Date of a DBV Transaction Equivalent Securities are not delivered to Seller by reason of the fact that either party's membership of CREST has been terminated or suspended then, unless before the latest time for delivery of such Equivalent Securities under the rules and procedures of CREST an Event of Default has occurred under paragraph 10 of the Agreement in respect of either party, such non-delivery shall be deemed to constitute -

- (i) where Buyer's membership of CREST has been terminated or suspended, a failure by Buyer to deliver Equivalent Securities on the Repurchase Date.
- (ii) where Seller's membership of CREST has been terminated or suspended, a failure by Seller to pay the Repurchase Price on the Repurchase Date.

(f) If on the Repurchase Date of a DBV Transaction Equivalent Securities are not delivered to Seller by reason of the fact that there are insufficient Securities of the relevant description standing to the credit of Buyer's account to enable delivery of the Equivalent Securities or there is insufficient cash standing to the credit of Seller's account to enable payment of the Repurchase Price then, unless before the latest time for delivery of such Equivalent Securities under the rules and procedures of CREST an Event of Default has

occurred under paragraph 10 of the Agreement in respect of either party, such non-delivery shall be deemed to constitute –

- (i) where there are insufficient Securities of the relevant description standing to the credit of Buyer's account to enable delivery of the Equivalent Securities, a failure by Buyer to deliver Equivalent Securities on the Repurchase Date;
  - (ii) where there is insufficient cash standing to the credit of Seller's account to enable payment of the Repurchase Price, a failure by Seller to pay Repurchase Price on the Repurchase Date.
- (g) If after an Event of Default has occurred under paragraph 10 of the Agreement Equivalent Securities to the Purchased Securities are delivered to a securities account of Seller against the creation of an assured payment obligation in accordance with the rules and procedures of CREST notwithstanding the termination of the relevant DBV Transaction, such delivery shall give rise to the following obligations, each of which shall be conditional on the simultaneous performance of the other –
- (i) an obligation on Seller to deliver to Buyer on demand securities equivalent to the securities so delivered; and
  - (ii) an obligation on Buyer to pay to Seller on demand a sum equal to the assured payment obligation so created.

3.4(a) The parties may agree to enter into a series of DBV Transactions to be confirmed by a single Confirmation, each such DBV Transaction being for the same Purchase Price and each such DBV Transaction other than the first commencing on the Repurchase Date of the previous Transaction. Such a series DBV Transactions is in the paragraph referred to as –

- (i) an **Open DBV Repo** if the Repurchase Date of the last Transaction in the series is not specified in the Confirmation but it is instead provided that, if either party gives to the other notice of not less than a stated period, the DBV Transaction which will be due for Termination on the date specified in the notice will be the last Transaction in the series and the series will be limited accordingly;
  - (ii) a **Term DBV Repo** if the date on which the last Transaction in the series is due for Termination is specified in the Confirmation.
- (b) Subject to the following provisions of this sub-paragraph, paragraph 3.3 above shall apply in respect of each DBV Transaction forming part of an Open DBV Repo or a Term DBV Repo.
- (c) It shall not be necessary for any Transaction forming part of an Open DBV Repo or a Term DBV Repo to be evidenced by a separate Confirmation and, subject to sub-paragraph 3.4(d) below, each such Transaction shall be deemed to be entered into on the Repurchase Date of the preceding such Transaction.
- (d) Notwithstanding the preceding provisions of this sub-paragraph, a transaction which would otherwise be deemed to be entered into on any day and would form part of an Open

DBV Repo or a Term DBV Repo shall be deemed not to be entered into if before the parties have taken the steps necessary to effect delivery of the Purchased Securities under that Transaction on that day in accordance with the rules and procedures of the CREST -

- (i) an Event of Default has occurred in relation to either party; or
- (ii) an earlier Transaction forming part of that Open DBV Repo or Term DBV Repo has been terminated under paragraph 10(g) or 10(h) of the Agreement.

(e) In any case where sub-paragraph 3.4(d) above applies, no further Transaction forming part of the relevant Open DBV Repo or Term DBV Repo shall arise.

(f) Subject to sub-paragraph 3.4(h) below, and save in so far as the Confirmation relating to an Open DBV Repo or Term DBV Repo may otherwise provide, that part (if any) of the Repurchase Price in respect of each Transaction in the relevant series (other than the last such Transaction) which exceeds the Purchase Price shall not be payable on the Repurchase Date, but shall instead be deferred until, and shall be payable on, the Repurchase Date of the last Transaction in the series. Such payments shall be made through CREST or outside CREST in same day funds.

(g) Any amount payable in respect of a Transaction forming part of an Open DBV Repo or Term DBV Repo payment of which has been deferred under sub-paragraph 3.4(f) above shall, until it is paid or the relevant Transaction is terminated under any provision of paragraph 10 of the Agreement, be treated for the purposes of paragraph 4(c) of the Agreement as if it were an amount payable under paragraph 5 of the Agreement.

(h) If any Transaction forming part of an Open DBV Repo or Term DBV Repo is terminated under any provision of paragraph 10 of the Agreement, any amounts payable in respect of any earlier Transactions forming part of that Open DBV Repo or Term DBV Repo payment of which has been deferred under sub-paragraph 3.4(f) above shall become due and payable immediately.

#### **4. Transactions in partly-paid Securities**

4.1 This paragraph applies where -

- (a) the Purchased Securities under a Transaction are Securities on which a call or instalment remains to be paid; and
- (b) the due date for the payment of any such call or instalment occurs before the Termination of the Transaction.

4.2 Seller shall pay to Buyer, for value on or before the due date of the call or instalment, an amount equal to the call or instalment payable on that date in respect of Securities equivalent to the Purchased Securities.

4.3 No adjustment to the Repurchase Price shall be made in consequence of the call or instalment or of the payment made by Seller under paragraph 4.2 above.

4.4 On and from the due date for the payment of the call or instalment the expression "Equivalent Securities" shall with respect to that Transaction be taken to mean Securities of the same issuer, forming part of the same issue and being of an identical type, nominal value, description and amount as the Purchased Securities but after payment of the call or instalment in question.

#### **5. Exercise of rights of conversion**

5.1 This paragraph applies where the Purchased Securities under a Transaction are Securities in respect of which a right of conversion (whether arising under the terms of issue of the Securities or under a conversion offer made after such issue) becomes exercisable before the Termination of the Transaction.

5.2 Seller may, not later than a reasonable period before the latest time for the exercise of the right of conversion, give to Buyer written notice to the effect that, on Termination of the Transaction, it wishes to receive Securities in such form as will arise if the right of conversion is exercised or, in the case of a right of conversion which may be exercised in more than one manner, is exercised in such manner as is specified in the notice.

5.3 With effect from the latest time for the exercise of the right of conversion the expression "Equivalent Securities" shall be taken to mean -

- (a) if a notice has been given under paragraph 5.2 above not later than the time specified in that sub-paragraph, such amount of such Securities of such description as fall to be held by a holder of Securities of the same issuer, forming part of the same issue and being of an identical type, nominal value, description and amount as the Purchased Securities if he has exercised the right of conversion in the manner specified in the notice;
- (b) in any other case, such amount of Securities of such description as fall to be held by a holder of Securities of the same issuer, forming part of the same issue and being of an identical type, nominal value, description and amount as the Purchased Securities if he has not exercised the right of conversion.

#### **6. Termination of on demand Transactions**

6.1 Paragraph 3(e) of the Agreement shall not apply, but shall be replaced by the following -

"(e) In the case of on demand Transactions, demand for Termination shall be made by Buyer or Seller, by telephone or otherwise, and shall provide for Termination to occur as soon as reasonably practicable after such demand or on such date (being at least one Business Day after that on which the demand is made) as may be specified in the demand: provided that, unless otherwise agreed between the parties, a demand which is made before 10 a.m. on a Business Day may provide for Termination to occur not later than the close of business on that day."

#### **7. Dividend entitlements: effect on margin provisions**

7.1 This paragraph applies where -

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- (a) the ex-dividend date for the payment of any dividend on any Purchased Securities occurs before the Termination of the relevant Transaction; or
- (b) the ex-dividend date for the payment of any dividend on any gilt-edged securities which have been delivered to a party as Margin Securities occurs before Equivalent Margin Securities have been delivered to the other party.

7.2 For the purposes of paragraph 4 of the Agreement -

- (a) where paragraph 7.1(a) above applies, from the period from the ex-dividend date until the Termination of the Transaction, Buyer shall be deemed to have received a payment of Cash Margin equal to the amount of the dividend payable on the Purchased Securities by reference to that ex-dividend date;
- (b) where paragraph 7.1(b) above applies, the party which has received those Margin Securities shall, from the period from the ex-dividend date until Equivalent Margin Securities are delivered to the other party, be deemed to have received a payment of Cash Margin equal to the amount of the dividend payable on those Margin Securities by reference to that ex-dividend date.

**TBMA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT (2000 VERSION)**

**BUY/SELL BACK ANNEX**

**Supplemental terms and conditions for Buy/Sell Back Transactions**

This Annex constitutes an Annex to the TBMA/ISMA Global Master Repurchase Agreement dated 4th May 2006 between **Lehman Brothers International (Europe)** and **Barclays Bank PLC** (the "Agreement").

**1. Scope**

- (a) The parties have agreed that the Transactions to which this Agreement applies may include Buy/Sell Transactions.
- (b) In relation to Buy/Sell Back Transactions, the Agreement shall be construed as if it had been amended and supplemented as set out in paragraphs 3 to 5 of this Annex.

**2. Interpretation**

- (a) In this Annex -

- (i) "Accrued Interest", with respect to any Purchased Securities subject to a Buy/Sell Back Transaction, unpaid Income that has accrued during the period from (and including) the issue date or the last Income Payment Date (whichever is the later) in respect of such Purchased Securities to (but excluding) the date of calculation. For these purposes unpaid Income shall be deemed to accrue on a daily basis from (and including) the issue date or the last Income Payment Date (as the case may be) to (but excluding) the next Income Payment Date or the maturity date (whichever is the earlier);
- (ii) "Sell Back Differential", with respect to any Buy/Sell Back Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction (on a 360 day basis or 365 day basis in accordance with the applicable ISMA convention, unless otherwise agreed between the parties for the Transaction) to the sum of (a) the Purchase Price and (b) Accrued Interest paid on the Purchase Date for such Transaction for the actual number of days during the period commencing on (and including) the Purchase Date for such Buy/Sell Back Transaction and ending on (but excluding) the date of calculation;
- (iii) "Sell Back Price", with respect to any Buy/Sell Back Transaction, means -
  - (x) in relation to the date originally specified by the parties as the Repurchase Date pursuant to paragraph 3(b)(iii) of the Agreement, the price agreed by the Parties in relation to that Buy/Sell Back Transaction, and
  - (y) in any other case (including for the purposes of the application of paragraph 4 (margin maintenance) or paragraph 10 (Events of Default) of the Agreement), the product of the formula  $(P + AI + D) - (IR + C)$ , where -

- P = the Purchase Price
- AI = the amount, equal to Accrued Interest at the Purchase Date, paid under paragraph 3(f) of this Annex
- D = the Sell Back Differential
- IR = the amount of any income in respect of the Purchased Securities payable by the issuer on or, in the case of registered Securities, by reference to, any date falling between the Purchase Date and the Repurchase Date
- C = the aggregate amount obtained by daily application of the Pricing Rate for such Buy/Sell Back Transaction to any such Income from (and including) the date of payment by the issuer to (but excluding) the date of calculation

- (b) References to "Repurchase Price" throughout the Agreement shall be construed as references to "Repurchase Price or the Sell Back Price, as the case may be".
- (c) In Paragraph 10(c)(i) of the Agreement (relating to Events of Default), the reference to the "Repurchase Prices" shall be construed as a reference to "Repurchase Prices and Sell Back Prices".
- (d) In the event of any conflict between the terms of this Annex III and any other term of the Agreement, the terms in this Annex shall prevail.

### 3. Initiation; Confirmation; Termination

- (a) Each Transaction shall be identified at the time it is entered into and in the Confirmation relating to it as either a Repurchase Transaction or a Buy/Sell Back Transaction.
- (b) In the case of a Buy/Sell Back Transaction the Confirmation delivered in accordance with paragraph 3 of the Agreement may consist of a single document in respect of both of the transactions which together form the Buy/Sell Back Transaction or separate Confirmations may be delivered in respect of each such transaction. Such Confirmations may be in the form of Annex 11 to the Agreement except that, subject to sub-paragraph (c) below, such Confirmations shall not include the item specified in paragraph 10 of Annex 11.
- (c) When entering into a Buy/Sell Back Transaction the parties shall also agree the Sell Back Price and the Pricing Rate to apply in relation to that Transaction on the scheduled Repurchase Date. The parties shall record the Pricing Rate in at least one Confirmation applicable to that Buy/Sell Back Transaction.
- (d) Buy/Sell Back Transactions shall not be terminable on demand.
- (e) In the case of a Buy/Sell Back Transaction, the Purchase Price shall be quoted exclusive of Accrued Interest to the Purchase Date on the Purchased Securities and the Sell Back Price shall be quoted exclusive of Accrued Interest.
- (f) For the purposes of paragraph 3(c) of the Agreement, in the case of a Buy/Sell Back Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the payment of the Purchase Price plus an amount equal to Accrued Interest to the Purchase Price on such Purchased Securities.

- (g) In the case of a Buy/Sell Back Transaction, paragraph 3(f) of the Agreement shall not apply. Termination of such a Transaction will be effected on the Repurchase Date by transfer to Seller or its agent of Equivalent Securities against the payment by Seller of (i) in a case where the Repurchase Date is the date originally scheduled by the parties pursuant to paragraph 3(b)(iii) of the Agreement, the Sell Back Price referred to in paragraph 2(iii)(x) of this Annex plus an amount equal to Accrued Interest to the Repurchase Date; and (ii) in any other case, the Sell Back Price referred to in paragraph 2(iii)(y) of this Annex.

**4. Margin maintenance: "repricing"**

If the parties agree that a Buy/Sell Back Transaction is to be repriced in accordance with paragraph 4(i) of the Agreement, they shall at the time of such repricing agree the Purchase Price, the Sell Back Price and the Pricing Rate applicable to the Repriced Transaction.

**5. Income Payments**

Paragraph 5 of the Agreement (relating to Income payments) shall not apply to Buy/Sell Back Transactions.

**TBMA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT (2000 VERSION)**

**ITALIAN ANNEX**

**Supplemental terms and conditions for transactions in  
Italian Domestic Purchased Securities or Italian Bonds**

**1. Scope**

In the event of Repurchase Transactions or Buy/Sell Back Transactions in Domestic Purchased Securities (as defined below) or in Italian Bonds (as defined below) whether or not such Italian Bonds fall within the definition of Domestic Purchased Securities, the following provisions shall apply and, where in conflict with any other term of the Agreement or of the Buy/Sell Back Annex, they shall prevail.

**2. Interpretation**

- (a) The following definition shall be added to paragraph 2 of the Agreement-

"Domestic Purchased Securities" means Purchased Securities which are issued in Italy whether or not the issuer thereof is incorporated in Italy or has a presence in Italy.

- (b) The following definitions shall replace the corresponding definitions contained in paragraph 2 of the Buy/Sell Back Annex-

(i) "Accrued Interest", with respect to any Domestic Purchased Securities unpaid Income that has accrued during the period from (and excluding) the issue date or the last Income Payment Date (whichever is the later) in respect of such Domestic Purchased Securities to (and including) the date of calculation. For these purposes unpaid Income shall be deemed to accrue on a daily basis from (and excluding) the issue date or the last Income Payment Date (as the case may be) to (and including) the next Income Payment Date or the maturity date (whichever is the earlier).

(ii) "Sell Back Differential", with respect to any Transaction in Domestic Purchased Securities as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction (on a 360 day basis unless otherwise agreed between the parties for the Transaction) to the sum of (a) the Purchase Price and (b) Accrued Interest paid on the Purchase Date for such Transaction for the actual number of days during the period commencing on (and excluding) the Purchase Date for such Transaction and ending on (and including), the date of calculation.

- (c) References to "Repurchase Price" and to "Sell Back Price" throughout this Annex shall be construed as references to "Repurchase Price or the Sell Back Price, as the case may be".

### 3. Settlement method

The settlement method in relation to Transactions in Domestic Purchased Securities shall be "in the counter" (giornaliera titoli) unless the parties in the relevant Confirmation agree that such settlement method shall be "over the counter" (Conto Accentrato Titoli (CAT) copertura giornaliera) (such terms having the meanings specified in the relevant regulations issued by the Bank of Italy).

### 4. Late delivery

(a) In connection with a Transaction in Domestic Purchased Securities, if seller fails to deliver Domestic Purchased Securities to Buyer on the Purchase Date or Buyer fails to deliver Securities equivalent to Domestic Purchased Securities on the Repurchase Date and Buyer or, as the case may be, Seller (the "affected party") elects to terminate the Transaction in accordance with paragraph 10(g)(iii) or, as the case may be paragraph 10(h)(iii) of the Agreement, the parties agree that for the purposes of paragraph 10(c) –

(i) If the affected party has at any time in the period beginning on the date on which the failure occurred and ending at the Default Valuation Time, purchased, whether by way of a repurchase transaction, buy and sell back transaction or otherwise, Securities forming part of the same issue and being of an identical type and description as those Purchased Securities or Equivalent Securities, the affected party shall, to the extent that it does not fall within paragraph 10(e), treat the cost of such purchase (including all Transaction Costs) as the Default Market Value of those Securities;

(ii) in calculating the Default Market Value, Transaction Costs incurred in connection with a purchase of Securities under paragraph 10(e)(i)(A)(aa) or (bb) shall include-

(aa) any costs imposed by the Bank of Italy as a result of the failure; and

(bb) an amount equal to interest on the amount of any deposit which the affected party is required to make with the Bank of Italy at the greater of the Pricing Rate for the relevant Transaction and EURIBOR (on a 360 day basis unless otherwise agreed by the parties to the Transaction) which shall be payable by the other party to the affected party.

(b) If buyer fails to deliver Equivalent Securities to Seller on the applicable Repurchase Date, Seller may by written notice to the other party, elect to adjust the Transaction in accordance with sub-paragraph (c) below.

(c) The adjustment of a Transaction (the "Original Transaction") under this subparagraph shall be effected as follows. The Original Transaction shall be terminated on the Repurchase Date for the Original Transaction and the parties shall be deemed to enter into a new Transaction (the "Replacement Transaction") in accordance with the following provisions-

- (i) the Purchase Date under the Replacement Transaction shall be the Repurchase Date under the Original Transaction;
  - (ii) the Purchased Securities under the Replacement Transaction shall be Securities equivalent to the Purchased Securities under the Original Transaction;
  - (iii) the Purchase Price under the Replacement Transaction shall, unless otherwise agreed, be the Market Value of the Purchased Securities for that Transaction on the Purchase Date for the Replacement Transaction as determined by Seller;
  - (iv) the Pricing Rate under the Replacement Transaction shall, unless otherwise agreed, be minus five per cent;
  - (v) the Repurchase Date under the Replacement Transaction shall be the Business Day following the Purchase Date under the Replacement Transaction;
  - (vi) the Margin Ratio and, subject as aforesaid, the other terms of the Replacement Transaction shall, unless otherwise agreed, be identical to those of the Original Transaction; and
  - (vii) the obligations of the parties with respect to the delivery of the Purchased Securities and the payment of the Purchase Price under the Replacement Transaction shall be set off against their obligations with respect to the delivery of Equivalent Securities and payment of the Repurchase Price under the Original Transaction and accordingly only a net cash sum be paid by one party to the other. If such net sum is payable by Seller to Buyer, that sum shall be payable on the Repurchase Date under the Replacement Transaction.
- (d) If the Repurchase Date for any Transaction Buyer delivers to Seller part only of the Equivalent Securities which it should have delivered (the "Delivered Securities" and the part of the Equivalent Securities which Buyer has failed to deliver being the "Undelivered Securities") Seller shall not be obliged to accept delivery of the Delivered Securities but instead may elect to terminate that Transaction in accordance with paragraph 10(h)(iii) of the Agreement, in which case sub-paragraph (a) above shall apply. If Seller elects to accept delivery of the Delivered Securities, the Transaction shall be terminated and Buyer and Seller shall be deemed to enter into a new Transaction in respect of the Undelivered Securities in accordance with the provisions of sub-paragraph (e) below.
- (e) Where this paragraph applies, the Transaction (the "Terminated Transaction") shall be terminated. Upon such termination, Buyer shall transfer to Seller or its agent the Delivered Securities against payment by Seller of the proportion of the Repurchase Price which corresponds to the Delivered Securities and the parties shall be deemed to enter into a new Transaction on the following terms-
- (i) the Purchase Date under the new Transaction shall be the Repurchase Date under the Terminated Transaction;

- (ii) the Purchased Securities under the new Transaction shall be Securities equivalent to the Undelivered Securities;
- (iii) the Purchase Price under the new Transaction shall be the Market Value of the Undelivered Securities at the Purchase Date under the new Transaction as determined by Seller;
- (iv) the Repurchase Date under the new Transaction shall be the Business Day following the Purchase Date under the new Transaction;
- (v) the Pricing Rate under the new Transaction shall, unless otherwise agreed, be minus five per cent;
- (vi) the Margin Ratio and, subject as aforesaid, the other terms of the New Transaction shall, unless otherwise agreed, be identical to those of the Terminated Transaction; and
- (vii) the obligations of the parties with respect to the delivery of the Undelivered Securities and the payment of that part of the Repurchase Price which corresponds to the Undelivered Securities under the Terminated Transaction shall be set off against their obligations with respect to the delivery of the Purchased Securities and the payment of the Purchase Price under the new Transaction and accordingly only a net cash sum shall be paid by Seller to Buyer. If such net sum is payable by Seller to Buyer, that sum shall be payable on the Repurchase Date under the new Transaction.

**5. Withholding tax**

- (a) Transactions in Domestic Purchased Securities between an Italian resident and a counterparty which is not resident in Italy for Italian tax purposes (but excluding the foreign branches of entities incorporated in Italy) where the non-Italian party is Buyer, are subject to the then applicable withholding tax in accordance with the following formula which provides the adjustment of the originally agreed Pricing Rate (such adjustment expressed as a percentage, the "Pricing Rate Adjustment") in such a manner which reduces the Pricing Rate by a percentage equal to the relevant applicable withholding tax rate on any capital gains realised on the relevant Domestic Purchased Securities unless otherwise provided in any applicable tax treaty.

$$\text{Pricing Rate Adjustment} = (\text{Pssnt} - \text{Pssnp}) \times \text{Awtr} \times (360/\text{gg}) \times (100/\text{Pssnp})$$

Pssnt = Prezzo supersecco netto a termine      Sell Back Price net of accrued interest and matured original issue discount

Pssnp = Prezzo supersecco netto a pronti      Purchase price net of accrued interest and matured original issue discount

Awtr =	Tasso della ritenuta d'imposta applicabile	Applicable withholding tax rate
gg =	Giorni di durata della Transaction	number of days in the Transaction (excluding the Purchase Date and including the Repurchase Date).

To the extent that the withholding tax referred to above is applicable to Buyer and Seller is required to pay the amount of such withholding tax to the Italian tax authorities, Seller shall be entitled to deduct the amount of such tax from the Repurchase Price as adjusted in accordance with the Pricing Rate Adjustment or, within ten days of the demand of Seller to make the relevant payment, Buyer shall reimburse Seller in respect of the amount required to be paid by it. Seller shall, upon demand by Buyer, provide Buyer with appropriate evidence of the amount of tax deducted and paid to the Italian tax authorities as Buyer may reasonably require to obtain any tax relief under any applicable tax treaty or to obtain any tax credit in respect of its income in the country in which it is resident or out of which it is acting.

(b) Should Buyer be-

- (i) resident in a country with which Italy has entered into a double tax treaty which recognises the Italian tax authorities' right to exchange information with the tax authorities of such country; or
- (ii) a supranational entity

no withholding tax shall apply pursuant to Article 26bis of Presidential Decree no.600 of 29<sup>th</sup> September, 1973.

**6. Construction of Buy/Sell Back Annex**

The provisions of the Buy/Sell Back Annex shall apply to Buy/Sell Back Transactions in Domestic Purchased Securities as if -

- (a) references to Buy/Sell Back Transactions shall be construed as references to Buy/Sell Back Transactions in Domestic Purchased Securities; and
- (b) references to Purchased Securities shall be construed as references to Domestic Purchased Securities.

**7. Income**

(a) Unless otherwise agreed -

- (i) paragraph 5 of the Agreement shall apply without modification in respect of any payment of Income in respect of Italian Bonds which could be received without a withholding or deduction on account of Italian tax being made at

source by an owner of such Italian Bonds which is a body corporate resident in Italy or in one of the jurisdictions listed in Decree of the Minister of Finance of the Republic of Italy dated 4<sup>th</sup> September, 1996 issued pursuant to Legislative Decree no. 239 of 1<sup>st</sup> April, 1996 having an appropriate double tax treaty with Italy (whether or not either of the parties is such a body corporate);

- (ii) paragraph 5 of the Agreement shall be modified, in its application to any payment of Income in respect of Italian Bonds other than such a payment falling within sub-paragraph (i) above, by deducting from the amount required to be transferred or credited under that paragraph an amount equal to any amount which would, on the assumption that Buyer owned the Italian Bonds at the relevant Income Payment Date, be withheld or deducted at source on account of Italian tax;
  - (iii) in relation to Buy/Sell Back Transactions in Italian Bonds, the amount "IR" in the formula for computing the Sell Back Price pursuant to paragraph 2(iii)(y) of the Buy/Sell Annex shall be calculated on the same basis as the amount required to be transferred or credited pursuant to paragraph 5 is calculated in accordance with sub-paragraphs (i) and (ii) above;
  - (iv) without prejudice to the provisions set out in the final sentence of sub-paragraph 5(a) above, neither party shall be obliged to deliver or transfer to the other, or to account to the other for, any tax credits or refunds to which it may become entitled in respect of Income on Italian Bonds; and
  - (v) paragraph 11 of the Agreement (Tax Event) shall not apply to any Transaction by virtue of any Italian Bonds ceasing to be Securities in respect of which a deduction or withholding on account of Italian tax is required to be made in respect of a payment of Income to such an owner as is referred to in sub-paragraph (i) above.
- (b) For the purposes of this paragraph "Italian Bonds" means any Securities which are issued by the Italian government or local authorities (or the Securities which for Italian tax purposes are treated likewise) or by other entities and to which the provisions of Legislative Decree no. 239 of 1<sup>st</sup> April, 1996, as amended, granting a special tax treatment will apply.

**TBMA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT (2000 VERSION)**

**JAPANESE SECURITIES ANNEX**

**Supplemental terms and conditions for Transactions in Japanese Securities**

This Annex constitutes an Annex to the TBMA/ISMA Global Master Repurchase Agreement dated 4th May 2006 between Lehman Brothers International (Europe) and Barclays Bank PLC (the "Agreement").

**1. Scope**

Paragraphs 2 and 3 of this Annex apply to all Transactions involving Securities issued in Japan ("*Japanese Securities*"), but not to other Transactions in other Securities. Paragraphs 2 and 4 of this Annex apply where (a) one of the parties is, and the other party is not, resident in Japan for tax purposes and (b) where the parties have agreed that the Purchased Securities for Transactions will comprise or include Exempt Securities. For the purpose of this Annex "Exempt Securities" means Securities which are specified in the Tax Special Measurement Law (sozei tokubetsu sochi hou) and the Cabinet Order of the Tax Special Measurement Law for the purpose of the exemption from the withholding of the interests received from certain Japanese financial institutions as specified in the Tax Special Measurement Law, with respect to the transactions of sale and repurchase of, or those of the sale and purchase with buy/sell back conditions of, the certain securities; provided that such transactions meet the requirements as provided in the relevant laws and regulations.

**2. Interpretation**

(a) Paragraph references are to paragraphs in the Agreement unless otherwise set out herein.

(b) In the event of any conflict in the terms and conditions of this Annex and any other term of the Agreement or any Annex to the Agreement, the terms in this Annex shall prevail.

**3. Amendments to Agreement**

(a) In respect of Japanese Securities, paragraph 2(t) is amended by deleting the word "and" after the phrase "(ii) part of the same issue;" in line 2 and inserting the following phrase immediately after the word "amount" in line 3:

"; and (iv) of the same treatment relating to the withholding or deduction of taxes or duties"

(b) In respect of Japanese Securities, the following phrase is inserted at the end of paragraph 2(aa) after "such Margin Transfer" in line 2:

"but excluding Net Paying Securities issued in Japan".

(c) For the avoidance of doubt, "Net Paying Securities" defined in paragraph 2(ff) includes Japanese Securities in respect of which a transferee would, on the Income Payment Date following a transfer to it, be subject to a withholding on account of income tax on all or part of the Income that has accrued during the calculation period ending on that

Income Payment Date due to any facts or circumstances existing prior to the transfer to the transferee.

(d) Paragraph 6(a) is amended as follows:

Unless otherwise agreed, all money paid hereunder (i) shall be settled through the Bank of Japan Financial Network System ("BOJ Net"), or (ii) shall be immediately available, freely convertible funds of the relevant currency. All securities to be transferred hereunder (i) shall be transferred through the BOJ Net, or (ii) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (iii) shall be transferred through the book entry system of Euroclear or Clearstream, or (iv) shall be transferred through any other agreed securities clearance system, or (v) shall be transferred by any other method mutually acceptable to Seller and Buyer.

(e) Paragraph 6(h) shall not apply with respect to payments in connection with the transfer of Japanese Securities.

(f) Paragraph 6(i) shall not apply with respect to the transfer of Japanese Securities.

#### **4. Act of Insolvency**

(a) Notwithstanding paragraph 2(a)(iv), an "Act of Insolvency" shall occur with respect to any party hereto immediately upon the filing of a petition in respect of it (including by the counterparty to the Agreement in respect of any obligation under the Agreement) with any court in Japan for the bankruptcy (*hasan*), corporate reorganisation (*kaisha kosei*) or civil rehabilitation (*minji saisei*) of such party, regardless of the "not having been stayed or dismissed within 30 days of its filing" provision.

(b) Notwithstanding paragraph 10(a)(vi), the occurrence with respect to Seller or Buyer of an Act of Insolvency identified in the preceding paragraph 4(a) of this Annex shall constitute an Event of Default without the service of a Default Notice on the Defaulting Party; provided, however, that any party hereto who has become aware of such an Act of Insolvency shall immediately notify the other party of such occurrence.

Except as amended herein, the Agreement shall continue to have full force and effect in all respects.

**U.S. SECURITIES ADDENDUM**  
**Supplemental Terms and Conditions for Transactions Involving U.S. Securities**

This U.S. Securities Addendum constitutes an Annex to the TBMA/ISMA Global Master Repurchase Agreement dated as of 4th May 2006 between **Lehman Brothers International (Europe)** and **Barclays Bank PLC** (the "Agreement").

**1. Scope.**

(a) The parties have agreed that –

(i) The Transactions to which this Agreement applies may include Transactions in respect of which the Purchased Securities consist of or include U.S. Securities; and

(ii) A transfer of Margin Securities may consist of or include U.S. Securities, and the terms and conditions of this Addendum shall apply to such Transactions and transfers of Margin Securities.

**2. Interpretation.**

(a) In this Addendum, U.S. Securities shall include U.S. Treasury instruments, U.S. Agencies, U.S. corporate bonds and any other securities that are cleared primarily through a clearance facility in the United States.

**3. Amendments to the Agreement.**

(a) Paragraph 6(a) is amended by the addition of the words "or a Federal Reserve Bank" after the words "or Clearstream" in subparagraph (ii) thereof.

(b) Tax Forms.

(i) With respect to Income Payments, the following is inserted after the phrase "to such a withholding or deduction" at the end of paragraph 5 of the Agreement:

" , subject to the Seller (for the purpose of paragraph 5(i)), or the first party (for the purposes of paragraph 5(ii)), validly completing and delivering to the Buyer or the second party, as the case may be, the appropriate W-8 or W-9 form (and such other documentation as may reasonably be requested). In the event that the Seller or the first party, as the case may be, does not provide such forms and other relevant documentation, the Buyer or second party, as the case may be, may deduct such amounts as may be required by applicable law and shall not be required to pay to or to indemnify the Seller or first party, as the case may be, in respect of such amounts deducted."

(ii) With respect to Payment and Transfer, the following is inserted at the end of paragraph 6(b) of the Agreement:

"Such money payable and additional amounts will only be payable where the receiving party has validly completed and delivered to the paying party the appropriate W-8 or W-9 form (and such other documentation as may reasonably be requested) as the case may be. In the event that the receiving party does not deliver to the paying party such forms and other documentation, the paying party may deduct such amounts as may be required by applicable law and shall not be required to pay to or to indemnify the receiving party in respect of such amounts deducted."

#### 4. Additional Provisions.

(a) Subsections (b) through (e) of this Section 4 will apply separately or cumulatively as follows:

(i) Subsections (b) and (c) of this Section 4 will apply in the event either party to the Agreement resides, has a domicile or a place of business or property in the United States.

(ii) Subsections (d) and (e) will apply in the event that either party to the Agreement is a broker or dealer registered with the SEC (as defined in Sub-section (d)(i)) under Section 15 of the 1934 Act (as defined in Sub-section (d)(i)).

(iii) In the event that either or both of Subsections (a)(i) or (a)(ii) of this Section 4 applies, Paragraph 17 is amended by the addition of the following after the word "England" in the first line thereof:

"except that all terms and phrases which are used in this Agreement and which expressly refer to statutory provisions of the United States of America or any State thereof shall be governed by and construed in accordance with the federal laws of the United States of America and the laws of such State without giving effect to the conflict of law principles thereof."

(b) Intent --

(i) The parties recognise that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Codes, as amended (except insofar as the type of Securities subject to such Transaction or the term of such transaction would render such definition inapplicable).

(ii) It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder, or to exercise any other remedies pursuant to Paragraph 10 hereof, is a contractual right to liquidate such Securities as described in Sections 555 and 559 of Title of the United States Code, as amended."

(c) Security Interest. Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Party B shall be deemed to have pledged to Party A as security for the performance by Party B of its obligations under each such Transaction, and shall be deemed to have granted to Party A a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

(d) Disclosures Relating to Certain Federal Protections.

- (i) The parties acknowledge that they have been advised that in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;
- (ii) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and
- (iii) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

(e) Segregation of Purchased Securities.

- (i) To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities intermediary or a clearing corporation. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise selling, transferring, pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Paragraph 5 hereof.
- (ii) Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the

trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they may be subject to liens granted by Seller to third parties and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy any lien or to obtain substitute securities.