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ISMA

The Bond Market Association
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International Securities Market Association
Rigistrasse 60, P.O. Box, CH-8033, Zürich
www.isma.org

2000 VERSION

TBMA/ISMA
GLOBAL MASTER REPURCHASE AGREEMENT

Dated as of 16th July 2004

Between:

Lehman Brothers International (Europe) ("Party A")

and

Fortis Bank NV/SA ("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 1 hereto, unless otherwise agreed in writing.

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21. **Third Party Rights**

No person shall have any right to enforce any provision of this Agreement under the Contracts (Rights of Third Parties) Act 1999.

Lehman Brothers International (Europe)

Fortis Bank NV/SA

By _____



Title _____

CONRAD SANTOS
MANAGING DIRECTOR

Date _____



By Robert BILLET

Title Associate Legal Risk

Date 22.07.2004



By Charles COUROUBLE

Director of Risk Management

22.07.2004



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ANNEX 1

Supplemental Terms or Conditions

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 Net Paying Securities may be effected under this Agreement, and accordingly the provisions of sub-paragraphs (i) and (ii) below shall apply.
- (i) The phrase "other than equities and Net Paying Securities" shall be replaced by the phrase "other than equities".
- (ii) In the Buy/Sell Back Annex the following words shall be added to the end of the definition of the expression "IR": "and for the avoidance of doubt the reference to the amount of Income for these purposes shall be to an amount paid without 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".
- (c) paragraph 1(d). Agency Transactions may be effected under this Agreement, and accordingly the Agency Annex shall apply. The parties acknowledge and agree that, in relation to some Transactions relating to U.S. Securities, Party A may act as agent for Lehman Brothers Inc. as Principal.

In addition, the following Annexes shall also apply with respect to relevant Transactions:

Equities Annex
Italian Annex
Gilts Annex
Japanese Annex

- (d) paragraph 2(d). The Base Currency shall be:
- (i) for the purposes of paragraph 4, Euros
- (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, United States Dollars.
- (e) paragraph 2(p). list Buyer's and Seller's Designated Offices

Party A: London and Frankfurt.

Party B: Fortis Bank NV/SA
Rue Montagne du Parc, 3
1000 Brussels, Belgium

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- (f) 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 by the parties.
 - (g) paragraph 2(rr). Spot rate to be: as agreed by the parties by reference to a recognised published source.
 - (h) paragraph 3(b). both Seller and Buyer to deliver Confirmation.
-

- (i) paragraph 4(f). Interest rate on Cash Margin to be Fed Funds Open for USD (available on Bloomberg page FEDL), 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.

- (j) paragraph 4(g). Delivery period for margin calls to be:
 - (i) For gilt edged Securities & U.S. Securities, if margin call is made by 7.00 a.m. EST / 12.00 p.m. GMT, delivery will be for same day settlement.
 - (ii) For all other Securities, if margin call is made by 7.00 a.m. EST / 12.00 p.m. GMT, delivery will be for next day settlement.
 - (iii) For Cash Margin, if margin call is made by 10.00 a.m. EST / 3.00 p.m. GMT, delivery will be made for same day settlement. If a second call for Cash Margin is made on a day when a previous call for Cash Margin has been made by 10.00 a.m. EST / 3.00 p.m. GMT delivery of the second Cash Margin will also be made for same day settlement.

- (k) 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 subparagraphs (i) through (x) of paragraph 10(a) of this Agreement.

- (l) paragraph 10(a)(ii). Paragraph 10(a)(ii) shall apply.

- (m) 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

For confirmation issues: Trade Support / Operations
Telephone: 44 (20) 7260 2344/2971
Facsimile: 44 (20) 7260 3022/2518
e-mail: fidfinancing@exeulon.lehman.com

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

For documentation issues: Transaction Management (London)
Telephone: 44 (20) 7102 1730
Facsimile: 44 (20) 7102 2044
e-mail: clEdward@lehman.com or coreid@lehman.com

(b) Address: **Lehman Brothers International (Europe) – Frankfurt Branch**
Gruneburgweg 18, D-60322 Frankfurt am Main, Germany

Attention:

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

For confirmation issues: Trade Support / Operations
Telephone: 44 (20) 7260 2344/2971
Facsimile: 44 (20) 7260 3022/2518
e-mail: 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

For documentation issues: Transaction Management (London)
Telephone: 44 (20) 7102 1730
Facsimile: 44 (20) 7102 2044
e-mail: clEdward@lehman.com or coreid@lehman.com

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

For Documentation:

Head Office: Financial Markets
Legal Risk and Documentation – 1MT1L
Hilde Van Verre – Veronique De Schepper
Tel: 32 2 565 85 33 / 32 2 565 85 31
Fax: 32 2 565 88 11

For Trading Treasury:

Brussels Head Office: Godfried De Vidts
Tel: 32 2 565 60 19

For Operations:

Brussels Head Office: Back Office
Marc Camus
Tel: 32 2 565 28 49
Fax: 32 2 565 62 53

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- (n) 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 appoints as its agent for service of process:

Fortis Bank (London Branch)
23 Camomil Street
London EC3A 7PP
United Kingdom
Tel: 44 207 444 8000
Fax: 44 207 861 4470

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, shall be deemed to be entered into pursuant to this Agreement and shall be governed by the terms of this Agreement. Further, the PSA/GMRA between Lehman Brothers International (Europe) and Fortis NV/SA dated 8th January 1995 (as amended) will be terminated and replaced by this Agreement upon execution.

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 Day 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.

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(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) -

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(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) 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 purposes 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."

- (e) 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."

- (f) **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;

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- (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 one Business Day 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;

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(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.

(g) Notwithstanding anything to the contrary in this Agreement or in any of the Annexes hereto, "Securities" for the purposes of this Agreement may include U.S. Treasury instruments and other securities that are cleared primarily through a clearance facility in the United States (such Treasury instruments and other securities, collectively, "U.S. Securities"), in respect of which the following provisions shall apply:

(i) 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,

(ii) 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 the State of New York without giving effect to the conflict of law principles thereof."

(iii) The following additional provisions will apply to this Agreement:

"Intent

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(1) The parties recognise that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 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 Code, as amended.

(2) 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 11 of the United States Code, as amended."

- (h) (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)**
- (i) The definition of Act of Insolvency in the Agreement shall be amended by the inclusion of an additional paragraph 2(a)(vii) reading as follows:
- "In respect of Party B the occurrence of an attachment, whether conservatory or executory (saisie conservatoire or saisie exécutoire/bewarend beslag or uitvoerend beslag), on any of its assets."

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**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

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[name or identifier of Principal]]:*

[16. Additional Terms]:*

Yours faithfully,

* Delete as appropriate

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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 16/07/2004 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

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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

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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

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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.

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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.

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TBMA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT (2000 VERSION)

EQUITIES ANNEX

Supplemental terms and conditions for transactions in equities

This Annex constitutes an Annex to the TBMA/ISMA Global Master Repurchase Agreement dated ~~11/07/04~~ between ~~Lehman Brothers International (Europe) and~~ ~~Lehman Brothers International (Europe)~~ (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 equities; and
 - (ii) a transfer of Margin Securities may consist of or include equities,
- and the terms and conditions of this Annex shall apply to such Transactions and transfers of Margin Securities.
- (b) In relation to Transactions and transfers of Margin Securities to which this Annex applies, 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) "equities" and "equity securities" include shares or stock in the share capital of a corporation, whether ordinary shares or preference shares or other kinds of shares or stock;
 - (ii) "Equivalent Margin Securities" and "Equivalent Securities" mean, in relation to Margin Securities and Purchased Securities which are equity securities and which are partly paid, or have been converted, sub-divided, consolidated, redeemed, made the subject of a takeover, capitalisation issue, rights issue or event similar to any of the foregoing –
 - (A) in the case of conversion, sub-division or consolidation, securities equivalent to the securities into which the relevant Securities have been converted, sub-divided or consolidated; provided that, if appropriate, notice has been given in accordance with paragraph 4 (a) of this Annex;
 - (B) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
 - (C) in the case of takeover, a sum of money or securities equivalent to the consideration or alternative consideration of which notice has been

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given in accordance with paragraph 4(a) of this Annex;

(D) in the case of a call on partly paid securities, securities equivalent to the paid-up securities; provided that, in the case of Equivalent Securities, Seller or, in the case of Equivalent Margin Securities, the party which transferred the relevant Margin Securities shall have paid to the other party a sum of money equal to the sum due in respect of the call;

(E) in the case of a capitalisation issue, securities equivalent to the relevant Securities together with the securities allotted by way of bonus thereon;

(F) in the case of a rights issue, securities equivalent to the relevant Securities together with the securities allotted thereon; provided that notice has been given to the other party in accordance with paragraph 4(a) of this Annex;

(G) in the event that income in the form of securities, or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities is distributed, securities equivalent to the relevant Securities together with securities or a certificate or an entitlement equivalent to those allotted; provided that notice has been given in accordance with paragraph 4(a) of this Annex;

(H) in the case of any event similar to any of the foregoing, securities equivalent to the relevant Securities together with or replaced by a sum of money or securities or other property equivalent to that received in respect of such Securities resulting from such event.

(b) In the event of any conflict between the terms of this Annex and the Agreement the terms of this Annex shall prevail.

3. Income Payments

(a) Subject as otherwise provided in this Annex or as otherwise agreed between the parties, where the Income paid or distributed by the issuer of Purchased Securities or Margin Securities is not in the form of money but is in the form of other property, the obligation of a party under paragraph 5 of the Agreement to pay to the other party an amount equal to the amount paid by the issuer shall be construed as an obligation to transfer property equivalent to that distributed by the issuer.

(b) The existing paragraph 5 of the Agreement shall be replaced by the following -

"5. Income Payments

(a) 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 which are not equities, Buyer shall on the date such Income is paid by the issuer transfer to or credit to the account of Seller an amount

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equal to (and in the same currency as) the amount paid by the issuer;

- (ii) where Margin Securities which are not equities 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 sub-paragraph to the amount of 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 a withholding or deduction.

- (b) (i) Unless otherwise agreed, where the Purchased Securities the subject of a Transaction consist of or include equities in respect of which an Income Payment Date would, but for this provision, occur during the Term of such Transaction, Seller shall seek to effect a substitution of such equities in accordance with paragraph 8(a) before the Notice Date referred to in sub-paragraph (b)(iii), but if such a substitution has not been effected by that date then Termination of such Transaction shall, provided that Seller has notified Buyer of such Termination in accordance with sub-paragraph (b)(iii), occur on, and, accordingly, the Repurchase Date of such Transaction shall fall on, the Business Day immediately preceding such Income Payment Date.
- (ii) Unless otherwise agreed and except to the extent that Equivalent Margin Securities in respect of the relevant Margin Securities have already been transferred, where one party (the "transferor") has transferred Margin Securities which are equities to the other (the "transferee") then, on the Business Day preceding the next Income Payment Date in respect of such Margin Securities, the transferee shall transfer to the transferor Equivalent Margin Securities in respect of such Margin Securities in exchange for new Margin Securities as if such transfers were made pursuant to a request under paragraph 8(d) to which the transferee had agreed; provided that (aa) the transferor has given notice to the transferee in accordance with sub-paragraph (b)(iii) of the application of this sub-paragraph (b)(ii) and (bb) the transferor has provided reasonable details to the transferee of the Margin Securities in question, the relevant Income Payment Date and the new Margin Securities to be exchanged for such Equivalent Margin Securities and the transferee has indicated to the transferor that such new Margin Securities are acceptable to it.
- (iii) Any notice given pursuant to sub-paragraphs (b)(i) or (b)(ii) above shall not be valid unless given so as to be effective, at the latest, one hour before the close of business on the last Business Day (the "**Notice Date**") on which the recipient would customarily be required to

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initiate settlement of the securities to be transferred by it pursuant to such notice in order for settlement to take place on the Business Day immediately preceding the relevant Income Payment Date.

- (iv) Nothing in this sub-paragraph (b) shall prejudice any entitlement of either party to terminate a Transaction in any other manner permitted by the Agreement.

(c) Unless otherwise agreed between the parties, where (notwithstanding, and without prejudice to, sub-paragraph (b) above) Equivalent Securities in respect of Purchased Securities which are equities or, as the case may be, Equivalent Margin Securities in respect of Margin Securities which are equities have not been transferred by Buyer to Seller or the transferee to the transferor prior to an Income Payment Date in respect of such Securities, sub-paragraph (a) above shall not apply in respect of such Securities, but instead Buyer shall or, as the case may be, the transferee shall, on the date Income is paid by the issuer of those Securities, transfer to or credit to the account of Seller or, as the case may be, the transferor -

- (i) an amount equal to (and in the same currency as) so much of such Income attributable to such Securities as is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it had been the holder of such Securities on such Income Payment Date) paid in cash by the issuer to the holder; and
- (ii) an amount equal to such amount, if any, in respect of tax or tax benefit as Buyer or the transferee is (if it is the holder of such Securities on such Income Payment Date) or would have been (if it had been the holder of such Securities on such Income Payment Date) entitled to claim or recover in cash from the issuer's jurisdiction in respect of such Income payment;

provided that, unless otherwise agreed between the parties, if Buyer or, as the case may be, the transferee has failed to make reasonable efforts to transfer the relevant Equivalent Securities or Equivalent Margin Securities prior to such Income Payment Date in circumstances where the proviso to sub-paragraph (b)(i) above or, as the case may be, sub-paragraph (b)(ii) has been satisfied, then, instead of transferring or crediting the amount referred to in sub-paragraphs (i) and (ii) of this sub-paragraph (c), Buyer or, as the case may be, the transferee shall indemnify Seller or, as the case may be, the transferor in respect of any cost, loss (including for the avoidance of doubt the amount of Income that would have been paid to Seller or, as the case may be, the transferor if it had been the holder of such Securities on such Income Payment Date) or damage (excluding, for the avoidance of doubt, any consequential loss or damage) suffered by such person which it would not have suffered had the relevant Equivalent Securities or Equivalent Margin Securities been transferred prior to such Income Payment Date.

- (d) Where Buyer or, as the case may be, the transferee is required by law to

make any transfer or credit pursuant to sub-paragraph (c)(i) or (ii)¹ above subject to withholding or deduction of taxes or duties, and as a result would, but for this sub-paragraph, be required to pay additional amounts under paragraph 6(b) of the Agreement, unless otherwise agreed between the parties, it shall only be obliged to pay such additional amounts to the extent that it could, in the relevant circumstances, have avoided, satisfied or off-set the relevant obligation to withhold or deduct (or to account for the tax withheld or deducted) by utilising any available tax credit in respect of the relevant Securities (or transactions relating to them).”

4. Corporate actions and voting

- (a) In relation to Purchased Securities or Margin Securities which are equities (and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred) Buyer, in the case of Purchased Securities, or the transferee, in the case of Margin Securities, shall notify the other party within a reasonable time after the date on which a holder of such Securities would in the normal course have received such notice from the issuer of any notice issued by the issuer of such Securities to the holders of such Securities relating to any proposed conversion, sub-division, consolidation, takeover, pre-emption, option or other similar right or event affecting such Securities or of any Income payment declared in respect of such Securities. Whether or not such notice is received from the first party, the other party may -
- (i) where the relevant Securities are Purchased Securities, cause the Transaction to be terminated in accordance with paragraphs 3(d), (e) and (f) of the Agreement as if the Transaction were an on demand Transaction or, where the relevant Securities are Margin Securities, request that Equivalent Margin Securities be transferred in respect of such Securities to paragraph 8(d) of the Agreement; and/or (as appropriate);
 - (ii) within a reasonable time before the latest time for the exercise of the right or option give written notice to the first party that on redelivery of Equivalent Securities or Equivalent Margin Securities, as the case may be, it wishes to receive Equivalent Securities or Equivalent Margin Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice; provided that if any sum is required to be paid by a holder of the securities to the issuer or any other person in order to exercise such rights, the other party shall pay to the first party an amount equal to such sum.
- (b) Where any voting rights fall to be exercised in relation to any Purchased Securities or Margin Securities which are equities and in respect of which Equivalent Securities or, as the case may be, Equivalent Margin Securities have not been transferred, neither Buyer, in the case of Purchased Securities, nor the transferee, in the case of Margin Securities, shall have any obligation to arrange for voting rights of that kind to be

¹ Note: this is intended to make clear that the disapplication of the gross-up provision does not apply where the buyer/transferee has failed to co-operate with the seller/transferor – in these circumstances there is no transfer under (c)(i) or (ii) and the indemnity in (c) applies.

exercised in accordance with the instructions of the other party in relation to such Purchased Securities or Margin Securities, unless otherwise agreed between the parties.

5. Transfer

- (a) Seller shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with the transfer of Purchased Securities which are equities and any Equivalent Securities in respect thereof and shall reimburse to Buyer the amount of any liability incurred by it as a result of Seller's failure to do so.
- (b) Where Margin Securities which are equities are transferred by one party to the other, the transferor (the first party) shall promptly pay and account for any transfer or similar duties or taxes chargeable in connection with such transfer as well as in connection with any subsequent transfer by the transferee (the second party) of Equivalent Margin Securities in respect thereof to the first party and shall reimburse to the second party the amount of any liability incurred by the second party as a result of the first party's failure to do so.
- (c) In relation to Transactions to which this Annex applies and unless otherwise agreed, where any Purchased Securities, Equivalent Securities, Margin Securities or Equivalent Margin Securities are transferred through a settlement system which automatically generates a mandatory payment or delivery, or a mandatory obligation to pay or deliver, against the transfer of such Securities, then -
- (i) such automatically generated payment, delivery or obligation shall be treated as a payment or delivery by the transferee to the transferor, and except to the extent that it is applied to discharge an obligation of the transferee to effect a payment or delivery, such payment or delivery, or obligation to pay or deliver, shall be deemed to be a Margin Transfer made by the transferee; and
- (ii) unless the parties shall have agreed otherwise, the party receiving such Margin Transfer shall cause to be made to the other party for value the same day either, where such Margin Transfer is a payment, an irrevocable payment in the amount of such Margin Transfer or, where such Margin Transfer is a delivery, an irrevocable delivery of Securities (or other property, as the case may be) equivalent thereto.

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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 *16/07/2004* between **Lehman Brothers International (Europe)** and ~~Lehman Brothers International (Europe)~~ (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)

AGENCY ANNEX

Supplemental terms and conditions for Agency Transactions

This Annex constitutes an Annex to the TBMA/ISMA Global Master Repurchase Agreement dated ~~16/07/2000~~ between ~~Lehman Brothers International (Europe) and FORTIS BANK N.V. S.A.~~ (the "Agreement")

1. Scope and interpretation

- (a) The parties have agreed that the Transactions to which this Agreement applies may include Agency Transactions.
- (b) Subject to the following provisions of this Annex, either party may enter into Transactions as agent for a third person (a "Principal"), whether as custodian or investment manager or otherwise (a Transaction so entered into being an "Agency Transaction"). In this Annex the party entering into an Agency Transaction as agent is referred to as the "Agent" and the other party is referred to as the "other party".
- (c) In relation to Agency Transactions, the Agreement shall be construed as if it had been amended and supplemented as set out in paragraphs 2 to 5 of this Annex.

2. Initiation; Confirmation

- (a) A party may enter into an Agency Transaction if, but only if -
 - (i) it specifies that Transaction as an Agency Transaction at the time when it enters into it and in the Confirmation;
 - (ii) it enters into that Transaction on behalf of a single Principal whose identity is disclosed to the other party (whether by name or by reference to a code or identifier which the parties have agreed will be used to refer to a specified Principal) at the time when it enters into the Transaction; and
 - (iii) it has at the time when the Transaction is entered into actual authority to enter into the Transaction on behalf of that Principal and to perform on behalf of that Principal all of that Principal's obligations under the Agreement.
- (b) A transaction shall not be entered into under the Agreement and this Annex if both parties specify that they propose to enter into that transaction as an agent.

3. Notification

Each party undertakes that, if it enters as agent into an Agency Transaction, forthwith upon becoming aware -

- (i) of any event which constitutes an Event of Default with respect to the relevant Principal; or

- (ii) of any breach of any of the warranties given in paragraph 5(c) below or of any event or circumstance which has the result that any such warranty would be untrue if repeated by reference to the current facts;

it will inform the other party of that fact and will, if so required by the other party, furnish the other party with such additional information as the other party may reasonably request.

~~4. Separate agreement~~

- (a) Each Agency Transaction shall be a transaction between the relevant Principal and the other party and no person other than the relevant Principal and the other party shall be a party to or have any rights or obligations under an Agency Transaction. Without limiting the foregoing, the Agent shall not be liable as principal for the performance of an Agency Transaction, but this is without prejudice to any liability of the Agent under any other provision of this Annex.
- (b) All the provisions of the Agreement shall apply separately as between the other party and each Principal for whom the Agent has entered into an Agency Transaction or Agency Transactions as if each such Principal were a party to a separate agreement with the other party in all respects identical with the Agreement as supplemented by the provisions of this Annex other than this paragraph, but with the following additions and modifications –
 - (i) if there occurs in relation to the Agent an Event of Default or an event which would constitute an Event of Default if the other party served a Default Notice or other written notice under any sub-paragraph of paragraph 10 of the Agreement, the other party shall be entitled by giving written notice to the Principal (which notice shall be validly given if given to the Agent in accordance with paragraph 14 of the Agreement) to declare that by reason of that event an Event of Default is to be treated as occurring in relation to the Principal. If the other party gives such a notice then an Event of Default shall be treated as occurring in relation to the Principal at the time when the notice is deemed to be given in accordance with paragraph 14 of the Agreement;
 - (ii) if the Principal is neither incorporated nor has established a place of business in Great Britain, the Principal shall for the purposes of paragraph 17 of the Agreement as so applicable be deemed to have appointed as its agent to receive on its behalf service of process in the Courts of England the Agent, or if the Agent is neither incorporated nor has established a place of business in the United Kingdom, the person appointed by the Agent under paragraph 17 of the Agreement, or such other person as the Principal may from time to time specify in a written notice given to the other party.
- (c) The Agent shall do all such things and provide the other party with all such information as may be necessary to identify any Transaction Exposure which may arise in respect of any Principal.
- (d) The foregoing provisions do not affect the operation of the Agreement as between the other party and the Agent in respect of any Transactions into which the Agent may enter on its own account as a principal.

5. Representations and warranties

(a) Paragraph 9(b) of the Agreement shall be deleted and replaced by the following:

“(b) it will engage in this Agreement and the Transactions contemplated hereunder as principal or, subject to and in accordance with the terms of the Agency Annex hereto, as agent and the conditions referred to in the Agency Annex hereto will be fulfilled in respect of each Transaction into which it enters as an agent;”

(b) At the beginning of the last sentence of paragraph 9 of the Agreement there shall be added the words "Subject to the Agency Annex hereto,".

(c) Each party warrants to the other that it will, on every occasion on which it enters or purports to enter into a transaction as an Agency Transaction, be duly authorised to enter into that transaction on behalf of the person whom it specifies as the Principal in respect of that transaction and to perform on behalf of that person all the obligations of that person under the Agreement.

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 Sell Back Price net of

	termine	accrued matured discount	interest original issue	and
Pssnp =	Prezzo supersecco netto a pronti	Purchase accrued matured discount	price interest original issue	net and
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 29th 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 4th September, 1996 issued pursuant to Legislative Decree no. 239 of 1st 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 1st 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 16/07/2004 between Lehman Brothers International (Europe) and FORTIS BANK NV (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.