

**Execution copy**

and provided further that for the purposes of Paragraph 8(b) the words "or been designated" shall be deleted in their entirety;

- (iii) For the purposes of sub-Paragraph 8(a)(1) the words "**Specified Condition**" shall be deleted in their entirety.

**(e) Substitution.**

- (i) "**Substitution Date**" has the meaning specified in Paragraph 4(d)(ii).
- (ii) **Consent.** The Pledgor must obtain the Secured Party's prior consent to any substitution pursuant to Paragraph 4(d) and shall give to the Secured Party not less than two (2) Local Business Days notice thereof specifying the items of Posted Credit Support intended for substitution.
- (iii) **Return Procedure.** In Paragraph 4(d)(ii) the words, not later than the Local Business Day following, shall be deleted and replaced with the words, as soon as practical after,.

**(f) Dispute Resolution.**

- (i) "**Resolution Time**" means 4:00 p.m., London time, on the Local Business Day following the date on which the notice of the dispute is given under Paragraph 5.
- (ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), on any date, the Value of Eligible Collateral and Posted Collateral will be calculated as follows:
  - (A) with respect to any Cash; the amount thereof;
  - (B) with respect to any Eligible Collateral comprising securities; the sum of (a)(x) the last bid price on such date for such securities on the principal national securities exchange on which such securities are listed, multiplied by the applicable Valuation Percentage or (y) where any such securities are not listed on a national securities exchange, the bid price for such securities quoted as at the close of business on such date by any principal market maker for such securities chosen by the Valuation Agent, multiplied by the applicable Valuation Percentage or (z) if no such bid price is listed or quoted for such date, the last bid price listed or quoted (as the case may be), as of the day next preceding such date on which such prices were available; multiplied by the applicable Valuation Percentage; plus (b) the accrued interest on such securities (except to the extent that such interest shall have been paid to the Pledgor pursuant to Paragraph 6(d)(ii) or included in the applicable price referred to in subparagraph (a) above) as of such date; and
  - (C) with respect to any Eligible Collateral other than Cash and securities; the fair market value of such Eligible Collateral on such date, as determined in any reasonable manner chosen by the Valuation Agent, multiplied by the applicable Valuation Percentage.
- (iii) **Alternative.**

The provisions of Paragraph 5 will apply, provided that the obligation of the appropriate party to deliver the undisputed amount to the other party will not arise prior to the time that would otherwise have applied to the Transfer pursuant to, or deemed made, under Paragraph 3 if no dispute had arisen.

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

- (i) **Eligibility to Hold Posted Collateral; Custodians.**

Party A or its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); provided that

- (1) whichever of Party A or its Custodian that is holding Posted Collateral, shall at all times either have a long term debt or deposit rating of at least A- from Standard & Poor's Ratings Group, a division of McGraw-Hill Inc. and at least A3 from Moody's Investors Service, Inc. (or their respective successors) or have net capital in excess of US\$500 million;