



Party: Applicant
Witness: Anthony Victor Lomas
Statement No: 13
Exhibit: "AVL13"
Date: 7 October 2015

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 7942 of 2008

IN THE MATTER OF LEHMAN BROTHERS INTERNATIONAL
(EUROPE) (IN ADMINISTRATION)

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

EXHIBIT "AVL13" TO
THE THIRTEENTH WITNESS
STATEMENT
OF
ANTHONY VICTOR LOMAS

This is the exhibit marked "AVL13" referred to in the Thirteenth Witness Statement of Anthony Victor Lomas dated 7 October 2015.

Signed 

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FINANCIAL MARKET INSTRUMENTS

AFB MASTER AGREEMENT FOR FOREIGN EXCHANGE AND DERIVATIVES TRANSACTIONS

Collection "Techniques de la Banque"



AFB diffusion

February 1995

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MASTER AGREEMENT RELATING TO FOREIGN EXCHANGE AND DERIVATIVES TRANSACTIONS

This Master Agreement (the 'Agreement') is entered into between:

represented by:

acting on behalf of the head office and all branches and

represented by:

acting on behalf of the head office and all branches

(the 'Parties')

The Parties have entered into this Agreement in order to govern their foreign exchange and derivatives transactions, present and future, to assume them under a single agreement and to set out the general principles applicable thereto, and benefit from all relevant legislative provisions, in particular Articles 1 and 2 of the law of 28 March 1885, as amended, relating to foreign exchange and derivatives markets.

ARTICLE 1 - GENERAL PRINCIPLES OF THE AGREEMENT

1.1 The general principles of this Agreement (the 'General Principles') are as follows:

- all transactions entered into pursuant to this Agreement shall constitute one and the same for the purposes of termination and netting;
- only those transactions mentioned in Article 1 of the law of 28 March 1885 as amended, relating to forward, futures and options markets, shall be subject to this Agreement;
- a default by either Party shall entitle the other Party to terminate all transactions subject to this Agreement, to set off mutual debts and credits thereunder and determine a settlement amount due to, or payable by it; and
- such settlement amount shall be calculated on the basis of an agreed method of valuation which reflects the market value of the transactions at their date of termination.

1.2 The Parties may, in accordance with the General Principles, amend the terms of this Agreement by means of a schedule forming an integral part of the Agreement, or by a supplemental agreement. Such amendments shall prevail over the provisions of the Agreement.

ARTICLE 2 - DEFINITIONS

AGENT

A person (a Party or a third party) designated as such in respect of a given Transaction at the time it is entered into, and whose obligations are set out in Article 5.5.

AMOUNT DUE

In relation to a terminated Transaction and a Party, the sum of :

- any amounts payable by such Party and not paid (for whatever reason) at the Termination Date;
- the Market Value, as at the Delivery date, of each Underlying Asset to be delivered by such Party and not delivered (for whatever reason) at the Termination Date; and
- applicable interest, calculated from the due date for payment or Delivery to the Termination Date; such interest shall be calculated at the rate set out in Article 9.1 if the Party liable for such amounts or Deliveries is the Defaulting Party, and otherwise at such rate less 1% per annum.

BUSINESS DAY

A day on which banks are open for the settlement of interbank transactions and for the determination of market quotations in the relevant financial centre.

CHANGE IN CIRCUMSTANCES

An event mentioned in Article 7.2.

CONFIRMATION

A document forming part of this Agreement and evidencing the agreement of the Parties on the terms and conditions of a Transaction concluded between them, and setting out its specific terms and conditions. A form of confirmation is annexed to the Technical Schedule for each type of Transaction.

CURRENCY

Any freely convertible and transferable currency, including ECU.

DELIVERY

The transfer of unencumbered title, without any recourse or restriction, of the relevant Underlying Asset or if the Underlying Asset is a particular Transaction, the entry into of such Transaction. Deliveries shall be effected (and related costs borne) in the manner generally accepted in banking relations for such Underlying Asset and may give rise to simultaneous payment of the purchase price for the relevant Underlying Asset by the Party entitled to delivery thereof.

EVENT OF DEFAULT

An event mentioned in Article 7.1.

MARKET VALUE

In respect of any Underlying Asset other than a transaction on a regulated market, the value of such Underlying Asset (net of costs and various acquisition taxes) as established on its principal market of quotation or negotiation.

Where the Underlying Asset is a transaction on a regulated market, its value shall be that prevailing on the relevant regulated market or the Replacement Value of such transaction.

REPLACEMENT VALUE

The Replacement Value shall be calculated by the Non Defaulting Party or the Non Affected Party (or, if there are two Affected Parties, each Affected Party). For any given Transaction it shall be the arithmetic mean of quotations from at least two prime market participants. Each such quotation shall be expressed as the amount that the market participant would pay or receive on the Termination Date if such market participant had to assume as from such date the whole of the financial rights and obligations of the other Party under the relevant Transaction. The resulting amount shall be expressed as a positive amount where it is payable to the market participant, and shall otherwise be expressed as a negative amount.

If only one quotation can be obtained, the Replacement Value shall be determined by such quotation. If no quotation can reasonably be obtained, the Replacement Value shall, as the case may be, equal the profit (and shall be a negative amount) of the Party responsible for the calculation, or the losses (and shall be a positive amount) of such Party incurred as a result of termination of the Transaction.

The Party determining the Replacement Value shall select the market participants from whom the above quotations are requested.

TECHNICAL SCHEDULE

A document prepared and published by the Association Française des Banques, which sets out for any type of transaction the terms and technical characteristics relating to such Transaction.

TERMINATION CURRENCY

The Currency selected by the Non-Defaulting Party or the Non-Affected Party, in which the Settlement Amount is denominated and payable. If there are two Affected Parties, the Termination Currency shall be selected by agreement between the Parties. Should the parties fail to reach agreement, the selection shall be made by the Party having suffered the greatest loss, as determined at the Termination Date. The selection of Termination Currency shall be made from among the currencies already used in one of the Transactions entered into between the Parties.

TERMINATION DATE

The date on which all Transactions between the Parties are terminated (upon the occurrence of an Event of Default) or, termination of the affected Transactions only (upon the occurrence of a Change in Circumstances). Such date shall be :

- a) in the case of an Event of Default mentioned in Article 7.1.1.6, the date of the judgment commencing the proceedings, or any equivalent proceedings or, if the Non Defaulting Party specified in the termination notice so chooses, the date of publication of such judgement or proceedings;
- b) in the case of an Event of Default mentioned in Article 7.1.1.7, the date of the court decision ordering the winding-up, or any equivalent proceedings; and
- c) in all other cases, the Business Day selected by the Party giving notice of termination, being any date from the date of receipt of the notice and the tenth Business Day inclusive thereafter.

TRANSACTION

Any over the counter market transaction settlement of which occurs on a date after its date of conclusion, such as a forward contract, an option, a swap, any combination of the foregoing or any similar contract relating, in accordance with Article 1 of the law of 28 March 1885, to any forward, futures or option transaction on government bonds or otherwise, securities, commodities, goods, interest rates, indices or Currencies or any combination of such Underlying Assets.

UNDERLYING ASSET

Any security, commodity, instrument, or market transaction or Transaction to which a Transaction relates.

ARTICLE 3 - APPLICATION OF THE AGREEMENT AND THE TECHNICAL SCHEDULES

3.1 This Agreement shall apply as between the Parties to all their outstanding Transactions, whether or not such Transactions are governed by a master agreement and whether or not such master agreement is governed by the general conditions of a market, and to future Transactions of the Parties. Notwithstanding the foregoing, Transactions which, at the time they were entered into, were expressly excluded from the scope of any such master agreement shall not be subject to this Agreement.

3.2 The provisions of this Agreement shall prevail over those of the master agreements mentioned in Article 3.1 and the Transactions governed by such master agreements shall be automatically governed by the terms of this Agreement with effect from its execution. Technical provisions in the above master agreements shall remain in force in respect of Transactions so far as they are not inconsistent with the provisions of this Agreement, and shall form an integral part hereof.

3.3 The Schedules, which shall form an integral part of this Agreement, shall apply from the date of their publication or amendment to all Transactions entered into after that date unless one Party does not agree and has so notified the other Party as provided in Article 4.2 below.

ARTICLE 4 - CONCLUSION OF TRANSACTIONS

4.1 Transactions may be entered into by any means, and shall be effective at such time as the Parties have reached agreement. Each Party authorises the other to record any telephone conversations relating to the conclusion of their Transactions.

4.2 The conclusion of any Transaction shall be followed by an exchange of Confirmations by letter, telex, telefax or any system of electronic communication considered sufficiently reliable by the Parties. The absence of a Confirmation by one of the Parties shall not affect the validity of a Transaction. In the event of disagreement over the terms of a Confirmation, such disagreement shall be notified immediately to the other Party, and each Party may adduce its recorded telephone conversations as evidence of the terms of the relevant Transaction.

4.3 The Parties may, subject to the General Principles, adopt in relation to any Transaction, particular provisions amending the terms of this Agreement. Such provisions shall be set out in the Confirmation for the relevant Transaction, and shall prevail, but only in relation to such Transaction.

ARTICLE 5 - PAYMENT AND DELIVERY - ROLE OF THE AGENT

5.1 Payments

Subject to Articles 5.3 and 7.3, each Party shall, in respect of each Transaction, make each payment due in the Currency, on the date and at the place set out in the relevant Confirmation.

5.2 Delivery

Subject to Articles 5.3 and 7.3, each Party shall, in respect of each Transaction, effect each Delivery it is required to effect, in the manner, at the date and in the place set out in the relevant Confirmation.

5.3 Set-Off

The Parties may agree to set-off their payment obligations denominated in the same Currency or their Deliveries of fungible Underlying Assets, to the extent that such payments or Deliveries are reciprocal and occur on the same day.

5.4 Third Party Recipient

Each Party may at any time designate in respect of one or more Transactions an intermediary of good standing as recipient of payments and/or Deliveries. Such intermediary shall be required to verify that payments and/or Deliveries are effected in a reciprocal manner and simultaneously. All costs, charges and out of pocket expenses resulting from the use of this procedure shall be for the account of such Party. The other Party shall be bound by such designation.

5.5 Role and Obligations of the Agent

In the event that an Agent has been designated for a particular Transaction, it shall obtain, in good time, such information as is necessary for it to determine the amounts to be paid and/or the quantities of Underlying Asset to be delivered by each of the Parties. It shall be responsible for carrying out the calculations necessary. It shall, as soon as possible notify such information and details of the calculations carried out. Such information and calculations shall be conclusive, and in the absence of manifest error, shall be binding.

ARTICLE 6 - REPRESENTATIONS

Each Party represents and warrants at the time of entering into this Agreement, and on each date on which a Transaction is entered into:

6.1 that it is validly organised and conducting its business in compliance with all applicable laws, decrees, regulations, market rules and articles of incorporation (or other constitutive documents) which are applicable to it;

6.2 that it has full authority and capacity to enter into this Agreement and each Transaction relating thereto, and that this Agreement and each such Transaction have been validly authorised by all internal procedure and any competent internal authority;

6.3 that the entry into and performance of this Agreement and each Transaction relating thereto do not contravene any provision of any law, decree, regulation, market rule or articles of incorporation (or other constitutive documents) applicable to it;

6.4 that all permits, licences and authorisations which may be necessary for the execution and performance of this Agreement and each Transaction relating thereto have been obtained and are in effect;

6.5 that the Agreement and each Transaction concluded pursuant hereto constitute a set of rights and obligations which are enforceable against such Party in respect of all their terms;

6.6 there is no Event of Default in respect of such Party;

6.7 that it has the necessary knowledge and experience to assess the benefits and risks incurred pursuant to each Transaction and has not relied for such purpose on the other Party; and

6.8 there exists no legal or arbitral action or judicial or administrative procedure or other measure which could result in a substantial deterioration of such Party's business, its assets or financial condition or which could affect the validity or the due performance of this Agreement or of any Transaction.

ARTICLE 7 - TERMINATION OF TRANSACTIONS

7.1 DEFAULT TERMINATION

7.1.1 Each of the following events shall constitute an Event of Default in respect of one of the Parties (the 'Defaulting Party'):

7.1.1.1 a failure to make any payment or Delivery pursuant to a Transaction which failure has not been remedied within three Business Days following notification of default in payment or Delivery by the other Party (the 'Non-Defaulting Party');

7.1.1.2 a failure to perform any other obligation pursuant to this Agreement which failure has not been remedied within seven Business Days following notification of default by the Non-Defaulting Party;

7.1.1.3 any representation made under Article 6 proves to have been incorrect when made or repeated or ceases to be correct in any material respect;

7.1.1.4 a declaration that it cannot pay or perform, or a refusal to pay all or any part of its debts or perform its obligations, a declaration of a governmental or judicial moratorium, a voluntary arrangement with creditors, the appointment of an administrator upon the request of regulatory authorities or the court, the prohibition by any regulatory authority from dealing on a market, or any equivalent procedure;

7.1.1.5 the cessation of activity, commencement of a voluntary winding up procedure or any other equivalent procedure;

7.1.1.6 subject to applicable law, the commencement of rehabilitation proceedings or any equivalent proceedings relating to the head-office or any branch of one of the Parties;

7.1.1.7 the commencement of liquidation proceedings or any other equivalent proceedings, affecting the head-office or one of the branches of one of the Parties;

7.1.1.8 a failure to perform any payment obligation with respect to the other Party or any third party, other than such obligations arising out of this Agreement or a Transaction, save in the event of manifest error or unless such payment is subject to a serious substantive dispute; or

7.1.1.9 any event capable of resulting in any security interest or guarantee granted in favour of the Non-Defaulting Party in respect of one or more Transactions becoming void, unenforceable or ceasing to exist, or any event mentioned in Article 7.1.1.4 to 7.1.1.8 affecting a third party which has guaranteed one or more Transactions.

7.1.2 Upon the occurrence of an Event of Default, the Non-Defaulting Party shall be entitled, by notice given to the Defaulting Party, to suspend performance of its payment and Delivery obligations and to terminate all outstanding Transactions between the Parties, irrespective of their place of conclusion or performance. Such notice shall specify the Event of Default and the Termination Date applicable.

7.2 TERMINATION BY REASON OF CHANGE IN CIRCUMSTANCES

7.2.1 Each of the following events shall constitute a Change in Circumstances for a Party (the 'Affected Party'):

7.2.1.1 The entry into force of a new law or regulation, the amendment of any law or any other provision of mandatory effect or any change in the judicial or administrative interpretation of any such provision which results in a Transaction being illegal for such Party, or which results in a deduction or withholding on account of tax on an amount receivable from the other Party under such Transaction; or

7.2.1.2 any merger or demerger affecting such Party or any transfer of assets effected by the latter which results in a substantial deterioration in its business, its assets or its financial condition.

7.2.2 On the occurrence of a Change in Circumstances mentioned in Article 7.2.1.1., any Party which becomes aware thereof shall notify the other Party as soon as possible, identifying the Transactions affected by such Change in Circumstances. The Parties shall suspend performance of their payment and Delivery obligations under the affected Transactions, and shall attempt in good faith for a period of 30 days to find a mutually satisfactory solution for making such transactions legal, or avoid such deduction or withholding. If at the expiration of such period, no mutually acceptable solution can be found, each of the Parties (in the event

of illegality) or the Party receiving an amount less than that provided for (in the event of deduction or withholding on an amount paid by the other Party) shall have the right by notice to the other Party to terminate the Transactions affected by the Change in Circumstances. Such notice shall specify the applicable Termination Date.

7.2.3 In the event of the occurrence of a Change in Circumstances mentioned in Article 7.2.1.2, all Transactions shall be deemed to be affected. The other Party (the 'Non-Affected Party') shall be entitled, by notice given to the Affected Party, to suspend performance of payment and Delivery obligations and to terminate all the outstanding Transactions between the Parties, irrespective of their place of conclusion or performance. Such notice shall specify the applicable Termination Date.

7.2.4 If a Change of Circumstances results directly in the occurrence of an Event of Default, such Event of Default shall be deemed not to have occurred and only the provisions of Article 7.2 shall apply.

7.3 EFFECTS OF TERMINATION

The Parties shall no longer be bound, with effect from the Termination Date, to make any payment or Delivery under terminated Transactions. Termination shall result in the obligation in respect of such Transactions, to make payment of the Settlement Amount and, when it results from the occurrence of an Event of Default, to reimburse the expenses referred to in Article 11.5.

ARTICLE 8 - CALCULATION AND PAYMENT OF SETTLEMENT AMOUNT

8.1 CALCULATION OF SETTLEMENT AMOUNT

8.1.1 In application of the general principle relating to the determination of the Settlement Amount, the Replacement Value for each terminated Transaction, shall be determined together with, if appropriate, the Amount Due by each Party in respect of such Transaction. Replacement Values and Amounts Due shall be determined by the Non-Defaulting Party or the Non-Affected Party (or if there are two Affected Parties, by each Party). Such determination shall be made as soon as possible.

8.1.2 In order to determine the Settlement Amount for all terminated Transactions, the Party responsible for the calculation shall deduct from the total of the positive Replacement Values and the Amounts Due by the other Party the total of the negative Replacement Values and the Amounts Due by it. The difference (positive or negative) shall be the Settlement Amount.

8.1.3 Any Replacement Value or Amount Due denominated in a Currency other than the Termination Currency shall be converted into such Currency at the Termination Date on the basis of the spot rates available to the Party responsible for the calculation at 12 noon on such date.

8.2 NOTIFICATION AND PAYMENT OF SETTLEMENT AMOUNT

8.2.1 The Party responsible for calculation of the Settlement Amount (or if there are two Affected Parties, each Party) shall notify as soon as possible to the other, the amount together with details of the calculation by which it was determined. Such calculations shall be conclusive upon notification and, in the absence of manifest error, shall be binding.

8.2.2 If termination occurs following an Event of Default (or a Change in Circumstances where there is only one Affected Party), the Settlement Amount shall be due by the Defaulting Party or the Affected Party to the other Party, if it is positive, and shall be due by the other Party to the Defaulting Party or the Affected Party if it is negative.

8.2.3 If termination occurs following a Change in Circumstances and there are two Affected Parties, the Party with the Settlement Amount in a larger negative or a smaller positive amount will pay to the other Party an amount equal to the mean of the absolute values of the Settlement Amounts (if these amounts have opposite signs) or equal to half the difference between the Settlement Amounts (if such amounts have the same sign).

8.2.4 The Party owing the Settlement Amount (or amount mentioned in Article 8.2.3, as the case may be) shall pay it to the other Party within three Business Days from receipt of the notice mentioned in Article 8.2.1. In the event that the Settlement Amount is due by the Non-Defaulting Party to the Defaulting Party following the occurrence of an Event of Default, the Non-Defaulting Party shall be irrevocably authorised to set-off such amount against any other amount due to it by the Defaulting Party in respect of any dealings between the Parties.

8.2.5 In the event of delay in payment, interest, calculated in accordance with the provisions of Article 9.1 shall be added to the Settlement Amount (or the amount mentioned in Article 8.2.3, as the case may be).

ARTICLE 9 - LATE PAYMENT OR DELIVERY

9.1 In the event of a delay in payment by one of the Parties of an amount due under the Agreement, such Party shall pay to the other default interest which shall be due without notice, and which shall be calculated on such sum from and including the date on which the payment should have been made to but excluding the date of effective payment, at the overnight refinancing rate of the Party entitled to receive the relevant amount, in the relevant Currency, plus one per cent. per annum. Interest shall be capitalised if due for a period in excess of a year.

9.2 In the event of late Delivery of any Underlying Asset by one of the Parties under this Agreement, such Party shall pay to the other:

- the amount of the difference, if any, between the Market Value of such Underlying Asset at the date on which the Delivery should have taken place, and the value of such Underlying Asset specified as at such date in the relevant Confirmation; and

- default interest on such difference calculated in the manner set out in Article 9.1 up until the date of effective Delivery.

ARTICLE 10 - TAX ASPECTS

The Parties shall agree in a separate schedule, if appropriate, on provisions relating to the tax aspects of Transactions.

ARTICLE 11 - MISCELLANEOUS

11.1 NOTICES

Any notice given pursuant to this Agreement shall be made by letter, telex, telefax or any system of remote transmission considered by the Parties to be sufficiently reliable, and shall have effect as of the date on which it is received.

11.2 PAYMENT IN A CURRENCY OTHER THAN THE AGREED CURRENCY

If for any reason a payment is made in a currency other than the agreed Currency for a Transaction and there is a difference between the amount converted into such Currency and the amount in such Currency provided for by the Transaction, the Party owing the amount shall, as an independent obligation, indemnify the other Party on demand against all costs and losses arising, without being entitled to raise any defence.

11.3 NON-WAIVER

The non-exercise or late exercise by a Party of any of its rights, powers or privileges arising under this Agreement shall not be deemed a waiver of such rights, powers or priorities.

11.4 ASSIGNMENT TO A THIRD PARTY

This Agreement, each Transaction and each of the rights and obligations thereunder shall not be transferred or assigned to any third party by either Party without the prior written consent of the other Party.

11.5 COSTS AND EXPENSES

The termination of transactions shall entitle the Non-Defaulting Party to the repayment of evidenced costs and expenses, including legal costs, incurred as a result of the occurrence of an Event of Default.

11.6 SECURITY AND MARGIN

The Parties may agree at any time to provide for any security or margin, in cash or securities, in respect of Transactions.

ARTICLE 12 - TERM OF THE AGREEMENT

The Agreement shall be concluded for an indeterminate period. It may be terminated at any time, by registered letter with acknowledgement of receipt; such termination shall take effect on the date which falls five Business Days after its receipt. The Agreement shall remain in force between the Parties in respect of all Transactions entered into prior to the termination becoming effective.

ARTICLE 13 - WAIVER OF IMMUNITY

This Agreement constitutes a commercial agreement. The Parties hereby irrevocably waive any immunity from suit or execution to which they would otherwise be entitled in respect of themselves or their assets, present or future.

ARTICLE 14 - GOVERNING LAW - JURISDICTION

This Agreement shall be governed by French law. In the event of translation, only the signed version shall be authoritative.

Any dispute relating to, without limitation, its validity, interpretation or performance shall be subject to the jurisdiction of the courts within the district of the Paris Court of Appeal.

Made in

On

By:

By:

Name and Title:

Name and Title:

SCHEDULE

AMENDMENTS TO THE MASTER AGREEMENT

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FBF

MASTER AGREEMENT

RELATING TO

TRANSACTIONS ON

FORWARD

FINANCIAL

INSTRUMENTS

August 2001

This English translation has been prepared with the participation of Gide Loyrette Nouel.
La présente traduction a été préparée avec le concours de Gide Loyrette Nouel.

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MASTER AGREEMENT RELATING TO TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

This Master Agreement (the "Agreement") is entered into between:

represented by

acting on behalf of the head office and all branches
(PARTY A)

and

represented by

acting on behalf of the head office and all branches
(PARTY B)

(the "Parties")

The Parties have entered into this Agreement in order to govern their transactions on forward financial instruments, present and future, to assume them under a single agreement and set out the general principles applicable thereto, and to benefit from all relevant legislative provisions, in particular Article L.431-7 of the monetary and financial code.

ARTICLE 1 - GENERAL PRINCIPLES OF THE AGREEMENT

1.1. The general principles of this Agreement (the "General Principles") are as follows:

- all transactions on forward financial instruments entered into pursuant to this Agreement shall constitute one and the same for the purposes of termination and netting;
- only those transactions relating to the financial instruments mentioned in Article L.211-1-II of the monetary and financial code shall be subject to this Agreement;
- a default by either Party shall entitle the other Party to terminate all transactions on forward financial instruments subject to this Agreement, to set off mutual debts and credits thereunder and to determine a settlement amount due to, or payable by it; and
- such settlement amount shall be calculated on the basis of an agreed method of valuation which reflects the market value of the transactions on forward financial instruments at their date of termination.

1.2. The Parties may, in accordance with the General Principles, amend the terms of this Agreement by means of a schedule forming an integral part of the Agreement, or by a supplemental agreement. Such amendments shall prevail over the provisions of the Agreement.

ARTICLE 2 - DEFINITIONS

AGENT

A person (a Party or a third party) designated as such in respect of a given Transaction at the time it is entered into, or, failing which, as provided in the "Technical Parameters" schedule and whose obligations are set out in Article 5.5.

AMOUNT DUE

In relation to a terminated Transaction and a Party, the sum of:

- any amounts payable by such Party and not paid (for whatever reason) at the Termination Date;
- the Market Value, as at the Delivery date, of each Underlying Asset to be delivered by such Party and not delivered (for whatever reason) at the Termination Date; and
- applicable interest, calculated from the due date for payment or Delivery to the Termination Date; such interest shall be calculated at the rate set out in Article 9.1 if the Party liable for such amounts or Deliveries is the Defaulting Party, and otherwise at such rate less 1% per annum.

BUSINESS DAY

A day on which banks are open for the settlement of interbank transactions and for the determination of market quotations in the relevant financial centre.

CHANGE IN CIRCUMSTANCES

An event mentioned in Article 7.2.

CONFIRMATION

A document forming part of this Agreement and evidencing the agreement of the Parties on the terms and conditions of a Transaction concluded between them, and setting out its specific terms and conditions. A form of confirmation is annexed to the Technical Schedule for each type of Transaction.

CURRENCY

Any freely convertible and transferable currency.

DELIVERY

The transfer of unencumbered title, without any recourse or restriction, of the relevant Underlying Asset or if the Underlying Asset is a particular Transaction, the entry into of such Transaction. Deliveries shall be effected (and related costs borne) in the manner generally accepted in banking relations for such Underlying Asset and may give rise to simultaneous payment of the purchase price for the relevant Underlying Asset by the Party entitled to delivery thereof.

EVENT OF DEFAULT

An event mentioned in Article 7.1.

MARKET VALUE

In respect of any Underlying Asset other than a transaction on forward financial instruments, the value of such Underlying Asset (net of costs and various acquisition taxes) as established on its principal market of quotation or negotiation.

Where the Underlying Asset is a transaction on forward financial instruments, its value shall be that prevailing on the relevant regulated market or the Replacement Value of such transaction on forward financial instruments.

REPLACEMENT VALUE

The Replacement Value shall be calculated by the Non-Defaulting Party or the Non-Affected Party (or, if there are two Affected Parties, each Affected Party). For any given Transaction it shall be the arithmetic mean of quotations from at least two prime market participants. Each such quotation shall be expressed as the amount that the market participant would pay or receive on the Termination Date if such market participant had to assume as from such date the whole of the financial rights and obligations of the other Party under the relevant Transaction. The resulting amount shall be expressed as a positive amount where it is payable to the market participant, and shall otherwise be expressed as a negative amount.

If only one quotation can be obtained, the Replacement Value shall be determined by such quotation. If no quotation can reasonably be obtained, the Replacement Value shall, as the case may be, equal the profit (and shall be a negative amount) of the Party responsible for the calculation, or the losses (and shall be a positive amount) of such Party incurred as a result of termination of the Transaction.

The Party determining the Replacement Value shall select the market participants from whom the above quotations are requested.

TECHNICAL SCHEDULE

A document prepared and published by the Association Française des Banques or by the Fédération Bancaire Française, which sets out for any type of transaction the terms and technical characteristics relating to such Transaction.

TERMINATION CURRENCY

The Currency selected by the Non-Defaulting Party or the Non-Affected Party, in which the Settlement Amount is denominated and payable. If there are two Affected Parties, the Termination Currency shall be selected by agreement between the Parties. Should the parties fail to reach agreement, the selection shall be made by the Party having suffered the greatest loss, as determined at the Termination Date. The selection of the Termination Currency shall be made from among the currencies already used in one of the Transactions entered into between the Parties.

SETTLEMENT AMOUNT

Refers to the difference provided for under Article 8.1.2.

TERMINATION DATE

The date on which all Transactions between the Parties are terminated (upon the occurrence of an Event of Default) or, termination of the affected Transactions only (upon the occurrence of a Change in Circumstances). Such date shall be:

- a) in the case of an Event of Default mentioned in Article 7.1.1.6, the date of the judgement commencing the proceedings, or any equivalent proceedings or, if the Non-Defaulting Party specified in the termination notice so chooses, the date of publication of such judgement or proceedings;
- b) in the case of an Event of Default mentioned in Article 7.1.1.7, the date of the court decision ordering the winding-up, or any equivalent proceedings; and
- c) in all other cases, the Business Day selected by the Party giving notice of termination, being any date from the date of receipt of the notice until the tenth Business Day inclusive thereafter.

TRANSACTION

Any over the counter transaction on forward financial instruments, settlement of which occurs on a date after its date of conclusion, pursuant to Article L.211-1-II of the monetary and financial code, such as a forward contract, an option, a swap, any combination of the foregoing or any similar contract relating to forward financial instruments.

UNDERLYING ASSET

Any security, commodity, instrument, or transaction on forward financial instruments or Transaction to which a Transaction relates.

ARTICLE 3 - APPLICATION OF THE AGREEMENT AND THE TECHNICAL

SCHEDULES

3.1. This Agreement shall apply as between the Parties to all their outstanding and future Transactions, whether or not such Transactions are governed by a master agreement and whether or not such master agreement is governed by the general conditions of a market. Notwithstanding the foregoing, Transactions which, at the time they were entered into, were expressly excluded from the scope of any such master agreement shall not be subject to this Agreement.

3.2. The provisions of this Agreement shall prevail over those of the master agreements mentioned in Article 3.1 and the Transactions governed by such master agreements shall be automatically governed by the terms of this Agreement with effect from its execution.

Technical provisions in the above master agreements shall remain in force in respect of Transactions so far as they are not inconsistent with the provisions of this Agreement, and shall form an integral part hereof.

3.3. The Technical Schedules, which shall form an integral part of this Agreement, shall apply from the date of their publication or amendment to all Transactions entered into after that date unless one Party does not agree and has so notified the other Party as provided in Article 4.2. below.

ARTICLE 4 - CONCLUSION OF TRANSACTIONS

4.1. Transactions may be entered into by any means, and shall be effective at such time as the Parties have reached agreement. Each Party authorises the other to record any telephone conversations relating to the conclusion of their Transactions.

4.2. The conclusion of any Transaction shall be followed by an exchange of Confirmations by letter, telex, telefax or any system of electronic communication considered sufficiently reliable by the Parties. The absence of

a Confirmation by one of the Parties shall not affect the validity of a Transaction. In the event of disagreement over the terms of a Confirmation, such disagreement shall be notified immediately to the other Party, and each Party may adduce its recorded telephone conversations as evidence of the terms of the relevant Transaction.

4.3. The Parties may, subject to the General Principles, adopt in relation to any Transaction, particular provisions amending the terms of this Agreement. Such provisions shall be set out in the Confirmation for the relevant Transaction, and shall prevail, but only in relation to such Transaction.

ARTICLE 5 - PAYMENT AND DELIVERY - ROLE OF THE AGENT

5.1. Payments

Subject to Articles 5.3 and 7.3, each Party shall, in respect of each Transaction, make each payment due in the Currency, on the date and at the place set out in the relevant Confirmation.

5.2. Delivery

Subject to Articles 5.3 and 7.3, each Party shall, in respect of each Transaction, effect each Delivery it is required to effect, in the manner, at the date and to the place set out in the relevant Confirmation.

5.3. Set-Off

The Parties may agree to set-off their payment obligations denominated in the same Currency or their Deliveries of fungible Underlying Assets, to the extent that such payments or Deliveries are reciprocal and occur on the same day.

5.4. Third Party Recipient

Each Party may at any time designate in respect of one or more Transactions an intermediary of good standing as recipient of payments and/or Deliveries. Such intermediary shall be required to verify that payments and/or Deliveries are effected in a reciprocal manner and simultaneously. All costs, charges and out of pocket expenses resulting from the use of this procedure shall be for the account of such Party. The other Party shall be bound by such designation.

5.5. Role and Obligations of the Agent

In the event that an Agent has been designated for a particular Transaction, it shall obtain, in good time, such information as is necessary for it to determine the amounts to be paid and/or the quantities of Underlying Asset to be delivered by each of the Parties. It shall be responsible for carrying out the calculations necessary. It shall, as soon as possible, notify such information and details of the calculations carried out. Such information and calculations shall be conclusive, and in the absence of manifest error, shall be binding.

ARTICLE 6 - REPRESENTATIONS

Each Party represents and warrants at the time of entering into this Agreement, and on each date on which a Transaction is entered into:

6.1. that it is validly organised and conducting its business in compliance with all applicable laws, decrees, regulations, and articles of incorporation (or other constitutive documents) which are applicable to it;

6.2. that it has full authority and capacity to enter into this Agreement and each Transaction relating thereto, and that this Agreement and each such Transaction have been validly authorised by all internal procedure and any competent internal authority;

6.3. that the entry into and performance of this Agreement and each Transaction relating thereto do not contravene any provision of any law, decree, regulation, or articles of incorporation (or other constitutive documents) applicable to it;

6.4. that all permits, licences and authorisations which may be necessary for the execution and performance of this Agreement and each Transaction relating thereto have been obtained and are in effect;

6.5. that the Agreement and each Transaction concluded pursuant hereto constitute a set of rights and obligations which are enforceable against such Party in respect of all their terms;

6.6. that to its knowledge there is no Event of Default in respect of such Party;

6.7. that it has, within the context of the laws and regulations applicable to it, as the case may be, the necessary knowledge and experience to assess the benefits and risks incurred pursuant to each Transaction; and that therefore it falls upon it to determine the validity of entering into the contemplated Transaction, after having examined the different aspects, notably financial, legal, fiscal and accounting; and

6.8. that to its knowledge there exists no legal or arbitral action or judicial or administrative procedure or other measure against it which could result in a substantial deterioration of such Party's business, its assets or financial condition or which could affect the validity or the due performance of this Agreement or of any Transaction.

ARTICLE 7 - TERMINATION OF TRANSACTIONS

7.1. Default Termination

7.1.1. Each of the following events shall constitute an Event of Default in respect of one of the Parties (the "Defaulting Party"):

7.1.1.1. a failure to make any payment or Delivery pursuant to a Transaction which failure has not been remedied within three Business Days following notification of default in payment or Delivery by the other Party (the "Non-Defaulting Party");

7.1.1.2. a failure to perform any other obligation pursuant to this Agreement which failure has not been remedied within seven Business Days following notification of default by the Non-Defaulting Party;

7.1.1.3. any representation made under Article 6 proves to have been incorrect when made or repeated or ceases to be correct in any material respect;

7.1.1.4. a declaration that it cannot pay or perform, or a refusal to pay all or any part of its debts or perform its financial obligations, a declaration of a governmental or judicial moratorium, a voluntary arrangement with creditors, the appointment of an administrator upon the request of regulatory authorities or the court, or any equivalent procedure;

7.1.1.5. the cessation of activity, commencement of a voluntary winding up procedure or any other equivalent procedure;

7.1.1.6. subject to applicable law, the commencement of rehabilitation proceedings or any equivalent proceedings relating to the head-office or any branch of one of the Parties;

7.1.1.7. the commencement of liquidation proceedings or any other equivalent proceedings, affecting the head-office or one of the branches of one of the Parties;

7.1.1.8. a failure to perform any payment obligation with respect to the other Party or any third party, other than such obligations arising out of this Agreement or a Transaction, save in the event of manifest error or unless such payment is subject to a serious substantive dispute; or

7.1.1.9. any event capable of resulting in any security interest or guarantee granted in favour of the Non-Defaulting Party in respect of one or more Transactions becoming void, unenforceable or ceasing to exist, or any event mentioned in Articles 7.1.1.4 to 7.1.1.8 affecting a third party which has guaranteed one or more Transactions.

7.1.2. Upon the occurrence of an Event of Default, the Non-Defaulting Party shall be entitled, by notice given to the Defaulting Party, to suspend performance of its payment and Delivery obligations and to terminate all

outstanding Transactions between the Parties, irrespective of their place of conclusion or performance. Such notice shall specify the Event of Default and the Termination Date applicable.

7.2. Termination by reason of Change in Circumstances

7.2.1. Each of the following events shall constitute a Change in Circumstances for a Party (the "Affected Party"):

7.2.1.1. the entry into force of a new law or regulation, the amendment of any law or any other provision of mandatory effect or any change in the judicial or administrative interpretation of any such provision which results in a Transaction being illegal for such Party, or which results in a deduction or withholding on account of tax on an amount receivable from the other Party under such Transaction; or

7.2.1.2. any merger or demerger affecting such Party or any transfer of assets effected by the latter which results in a substantial deterioration in its business, its assets or its financial condition.

However, a merger does not constitute a Change in Circumstance when (a) the surviving company agrees to assume all of the obligations of the absorbed entity under the Agreement and the Transactions, (b) it obtains and maintains all of the necessary internal and external authorisations to carry out its obligations under the Agreement and the Transactions, and (c) such merger is not susceptible of affecting the capacity of the surviving company to perform its obligations under the Agreement or the Transactions.

7.2.2. On the occurrence of a Change in Circumstances mentioned in Article 7.2.1.1., any Party which becomes aware thereof shall notify the other Party as soon as possible, identifying the Transactions affected by such Change in Circumstances. The Parties shall suspend performance of their payment and Delivery obligations under the affected Transactions, and shall attempt in good faith for a period of 30 days to find a mutually satisfactory solution for making such transactions legal, or avoid such deduction or withholding. If at the expiration of such period, no mutually acceptable solution can be found, each of the Parties (in the event of illegality) or the Party receiving an amount less than that expected (in the event of deduction or withholding on an amount paid by the other Party) shall have the right by notice to the other Party to terminate the Transactions affected by the Change in Circumstances. Such notice shall specify the applicable Termination Date.

7.2.3. In the event of the occurrence of a Change in Circumstances mentioned in Article 7.2.1.2, all Transactions shall be deemed to be affected. The other Party (the "Non-Affected Party") shall be entitled, by notice given to the Affected Party, to suspend performance of payment and Delivery obligations and to terminate all the outstanding Transactions between the Parties, irrespective of their place of conclusion or performance. Such notice shall specify the applicable Termination Date.

7.2.4. If a Change of Circumstances results directly in the occurrence of an Event of Default, such Event of Default shall be deemed not to have occurred and only the provisions of Article 7.2. shall apply.

7.3. Effects of Termination

The Parties shall no longer be bound, with effect from the Termination Date, to make any payment or Delivery under terminated Transactions. Termination shall result in the obligation in respect of such Transactions, to make payment of the Settlement Amount and, when it results from the occurrence of an Event of Default, to reimburse the expenses referred to in Article 11.5.

ARTICLE 8 - CALCULATION AND PAYMENT OF SETTLEMENT AMOUNT

8.1. Calculation of Settlement Amount

8.1.1. In application of the general principle relating to the determination of the Settlement Amount, the Replacement Value for each terminated Transaction, shall be determined together with, if appropriate, the Amount Due by each Party in respect of such Transaction. Replacement Values and Amounts Due shall be determined by the Non-Defaulting Party or the Non-Affected Party (or if there are two Affected Parties, by each Party). Such determination shall be made as soon as possible.

8.1.2. In order to determine the Settlement Amount for all terminated Transactions, the Party responsible for the calculation shall deduct from the total of the positive Replacement Values and the Amounts Due by the other Party the total of the negative Replacement Values and the Amounts Due by it. The difference (positive or negative) shall be the Settlement Amount.

8.1.3. Any Replacement Value or Amount Due denominated in a Currency other than the Termination Currency shall be converted into such Currency at the Termination Date on the basis of the spot rates available to the Party responsible for the calculation at 12 noon on such date.

8.2. Notification and Payment of Settlement Amount

8.2.1. The Party responsible for calculation of the Settlement Amount (or if there are two Affected Parties, each Party) shall notify as soon as possible to the other, the amount together with details of the calculation by which it was determined. Such calculations shall be conclusive upon notification and, in the absence of manifest error, shall be binding.

8.2.2. If termination occurs following an Event of Default (or a Change in Circumstances where there is only one Affected Party), the Settlement Amount shall be due from the Defaulting Party or the Affected Party to the other Party, if it is positive, and shall be due from the other Party to the Defaulting Party or the Affected Party if it is negative.

8.2.3. If termination occurs following a Change in Circumstances and there are two Affected Parties, the Party with the greater negative or the smaller positive Settlement Amount will pay to the other Party an amount equal to the mean of the absolute values of the Settlement Amounts (if these amounts have opposite signs) or equal to half the difference between the Settlement Amounts (if such amounts have the same sign).

8.2.4. The Party owing the Settlement Amount (or amount mentioned in Article 8.2.3., as the case may be) shall pay it to the other Party within three Business Days from receipt of the notice mentioned in Article 8.2.1. In the event that the Settlement Amount is due by the Non-Defaulting Party to the Defaulting Party following the occurrence of an Event of Default, the Non-Defaulting Party shall be irrevocably authorised to set-off, within the limits provided for by the law, such amount against any other amount due to it by the Defaulting Party in respect of any dealings between the Parties.

8.2.5. In the event of delay in payment, interest, calculated in accordance with the provisions of Article 9.1., shall be added to the Settlement Amount (or the amount mentioned in Article 8.2.3., as the case may be).

ARTICLE 9 - LATE PAYMENT OR DELIVERY

9.1. In the event of a delay in payment by one of the Parties of any amount due under the Agreement, such Party shall pay to the other default interest which shall be due without notice, and which shall be calculated on such sum from and including the date on which the payment should have been made to but excluding the date of effective payment, at the overnight refinancing rate of the Party entitled to receive the relevant amount, in the relevant Currency, plus one per cent. per annum. Interest shall be capitalised if due for a period in excess of a year.

9.2. In the event of late Delivery of any Underlying Asset by one of the Parties under this Agreement, such Party shall pay to the other:

- the amount of the difference, if any, between the Market Value of such Underlying Asset at the date on which the Delivery should have taken place, and the value of such Underlying Asset specified as at such date in the relevant Confirmation; and
- default interest on such difference calculated in the manner set out in Article 9.1. up until the date of effective Delivery.

ARTICLE 10 - TAX ASPECTS

The Parties shall agree in a separate schedule, if appropriate, on provisions relating to the tax aspects of Transactions.

ARTICLE 11 - MISCELLANEOUS

11.1. Notices

Any notice given pursuant to this Agreement shall be made by letter, telex, telefax or any system of remote transmission considered by the Parties to be sufficiently reliable, and shall have effect as of the date on which it is received.

11.2. Payment in a Currency other than the agreed Currency

If for any reason a payment is made in a currency other than the agreed Currency for a Transaction and there is a difference between the amount converted into such Currency and the amount in such Currency provided for by the Transaction, the Party owing the amount shall, as an independent obligation, indemnify the other Party on demand against all costs and losses arising, without being entitled to raise any defence.

11.3. Non-waiver

The non-exercise or late exercise by a Party of any of its rights, powers or privileges arising under this Agreement shall not be deemed a waiver of such rights, powers or priorities.

11.4. Assignment to a third party

This Agreement, each Transaction and each of the rights and obligations thereunder shall not be transferred or assigned to any third party by either Party without the prior written consent of the other Party.

11.5. Costs and Expenses

The termination of Transactions shall entitle the Non-Defaulting Party to the repayment of evidenced costs and expenses, including legal costs, where relevant, incurred as a result of the occurrence of an Event of Default.

11.6. Security and margin

The Parties may agree at any time to provide for any security or margin, in cash or securities, in respect of all or any of the Transactions.

ARTICLE 12 - TERM OF THE AGREEMENT

The Agreement shall be concluded for an indeterminate period. It may be terminated at any time, by registered letter with acknowledgement of receipt; such termination shall take effect on the date which falls five Business Days after its receipt.

The Agreement shall remain in force between the Parties in respect of all Transactions entered into prior to the termination becoming effective.

ARTICLE 13 - WAIVER OF IMMUNITY

This Agreement constitutes a commercial agreement. The Parties hereby irrevocably waive any immunity from suit or execution to which they would otherwise be entitled in respect of themselves or their assets, present or future.

ARTICLE 14 - GOVERNING LAW - JURISDICTION

This Agreement shall be governed by French law. In the event of translation, only the signed version shall be authoritative.

Any dispute relating to, without limitation, its validity, interpretation or performance shall be subject to the jurisdiction of the courts within the district of the Paris Court of Appeal.

Made in:

On:

By:

Name and Title:

By:

Name and Title:

SCHEDULE

TECHNICAL PARAMETERS OF THE FBF MASTER AGREEMENT RELATING TO TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS

Addresses for notification

Definition of the Agent

...

AFTI

Association Française des Professionnels des Titres
(Association of Securities Professionals of France)

MASTER AGREEMENT
FOR
LOANS OF SECURITIES

In association with

AFB-AFEI-AFTB

Official Version
- February 1997 -

Between

PARTY A, whose registered office is situated at _____, represented by _____, duly authorised to act,

and

PARTY B, whose registered office is situated at _____, represented by _____, duly authorised to act,

Hereafter "the Parties"

When one of the signatories to the Agreement acts on behalf of a third party whose identity it has disclosed, such third party shall be considered as a Party to the Agreement, which in such a case shall apply solely to Loans made in the name, and on behalf, of the principal.

The signatory acting as agent :

- (a) represents and warrants that it has full authority to bind the principal and has ensured that the principal is bound by the terms of the Agreement and of all the Loans entered into in the principal's name ;
- (b) undertakes to facilitate contacts between its principal and the other Party and to disclose to the latter any Event of Default affecting the principal of which it is aware.

WHEREAS:

The Parties wish to make loans of Securities (the "Loan" or "Loans") to one another within the framework of Chapter V of statute n° 87.416 of 17 June 1987, (as amended and implemented) (the "Law").

The Parties agree to enter into this master agreement (the "Agreement") to govern all present and future Loans, to aggregate those Loans, and to benefit from all statutory provisions relating thereto.

In the event that the Parties entered into the Master Agreement issued by the Association Française des Banques in association with AFTI in November 1992, such Master Agreement is hereby replaced by this Agreement.

ARTICLE 1 - GENERAL PRINCIPLES

1.1 The general principles of the Agreement are as follows:

- Only those Loans specified in the Law can be governed by the Agreement.
- The borrower may freely use the Securities borrowed provided that it redelivers the same quantity of Securities to the lender on termination of the relevant Loan.
- The Loans governed by the Agreement shall be aggregated and considered as a whole for termination and set-off purposes. Upon the occurrence of an Event of Default, the Non-Defaulting Party has the right to terminate all outstanding Loans, to set-off all reciprocal claims and debts, including those relating to Collateral, and to establish the Termination Balance payable or receivable. In this event, each Party retains full title to the cash or Securities previously delivered to it, without prejudice to payment or receipt of the Termination Balance, if any.

1.2 The Parties can amend the terms of the Agreement in the Appendix, which forms an integral part of the Agreement, or in a supplemental agreement, provided that such changes comply with the general principles specified in this Article. Any amendment shall prevail over the terms of the Agreement.

ARTICLE 2 - DEFINITIONS

Adjusted Value of Collateral	Value of the Collateral determined for the calculation of Transfers, taking into account the relevant weighting percentages specified for each category of assets comprising such Collateral as defined in the Appendix.
Amount Due	The sum of payments due but unpaid by a Party, irrespective of the reason, at the Termination Date, plus Late-Payment Interests calculated from the due date to the Termination Date.
Base Currency	Currency of denomination for the Collateral of a Secured Loan (where Collateral is managed individually for each Loan) or of several Secured Loans (where Collateral is managed on a pooled basis).
Business Day	Any day on which investment services providers are open for business to settle sales of Securities in the financial market specified in the Appendix.
Calculation Agent	The person (Party or a third party) specified in the Appendix who makes determinations and calculations on behalf of a given Party.
Cash Collateral Fee	Indemnity calculated prorata temporis by applying the Reference Rate (as specified in the Appendix) corresponding to the selected Currency.
Collateral	Cash and Securities transferred by means of Transfers as security for the borrower's obligations, whether on the initial date of the Loan or subsequently, pursuant to the provisions of Article 5 and the Appendix.
Confirmation	The document that evidences the terms agreed by the Parties for a Loan and that lists the Loan's specific terms.
Currency	French francs and any other freely convertible and transferable currencies (including the ECU) and the Euro.
Customary Delivery Period	Minimum period customarily required for transferring Securities or cash, in particular with respect to a sale, as established by market practice and professional standards as described in the Appendix.
Delivery Date	The date on which the loaned Securities are delivered to the borrower and, where relevant, the date on which the Collateral for the relevant loan is delivered simultaneously to the lender.
Late-Payment Interest	Interest calculated at the rate specified in the Appendix on any outstanding amount due from one Party to the other.
Margin Difference	For one or more Secured Loans, the excess or shortfall of Collateral in relation to the loaned Securities, as specified in the Appendix.
Market Value	Value of Securities loaned or posted as Collateral, determined by the Calculation Agent when computing the Termination Balance in a reasonable and objective manner, taking into account, when relevant, the prevailing market conditions and related costs.
Redelivery Date	The date on which loaned Securities are redelivered to the lender. The Loan shall be terminated on the Redelivery Date, which shall be no later than the first anniversary of the Delivery Date for such Loan.
Secured Loan	Any Loan for which the Parties have specified that the provisions of Article 5 shall apply in the corresponding Confirmation.

Securities

Securities referred to in Article 3.1 or 3.2, as applicable.

Value of the Security

On a given date :

- if the Security concerned is traded on a regulated market, the sum of the closing price of that Security on the preceding Business Day, plus any accrued coupon amount if applicable;

- if the Security is not traded on a regulated market but is subject to a price quotation procedure initiated by (a) a central bank, (b) any other authority deemed competent by applicable laws and regulations or (c) an establishment of recognised authority, the sum of the price quotation of that Security on the preceding Business Day, plus any accrued coupon amount if applicable.

Termination Balance

Amount determined as at the Termination Date, and calculated by the Non-Defaulting or Non-Affected Party, in accordance with the provisions of Article 8.

Termination Date

The date on which all Loans governed by the Agreement are terminated or, in the event that a New Circumstance occurs as specified in Article 7.2, the date on which only those Loans affected by such New Circumstance are terminated.

Transfer

Transfer of cash (in the form of an irrevocable bank transfer) or Securities freely transferable and free of any encumbrance (in the form of free delivery), the transferee acquiring full legal title to such cash or Securities

ARTICLE 3 - ELIGIBILITY CRITERIA

3.1 Securities eligible for lending

The Securities that can be loaned are only those that give or may give access to capital (in particular shares) or to voting rights, as well as negotiable debt instruments, provided in all cases that they comply with the conditions specified by the Law.

3.2 Assets eligible as Collateral

All categories of Securities, as well as cash (denominated in any Currency), may be posted as Collateral, provided that they are identified as permitted Collateral in the Appendix.

3.3 Other forms of Collateral

All other forms of collateral, and in particular guarantees, letters of credit, and other credit enhancement mechanisms may also be posted as Collateral provided that the Parties have previously specified, either in the Appendix or in a separate agreement, the conditions for posting and managing such collateral.

ARTICLE 4 - SETTING UP AND MANAGING LOANS

4.1 Conditions for entering into Loans

4.1.1 Loans may be entered into by any means. Accordingly, the Parties authorise each other to record any telephone conversation regarding Loans. Upon agreeing the terms of a Loan, the lender and the borrower shall both be irrevocably committed to delivering the Securities to which the Loan applies, and to complying with all provisions of the Agreement.

4.1.2 Once the Parties have agreed the terms of a Loan, they shall exchange Confirmations, transmitted by any sufficiently secure and reliable medium (letter, telex, secure electronic transmission, or other means). Failure by either Party to send a Confirmation shall not in any way affect the validity of the relevant Loan. If either Party disagrees with the terms of a Confirmation it has received, it shall promptly

serve notice thereof to the other Party. Both Parties shall be entitled to use their respective telephone recordings as evidence.

4.1.3 Confirmations may include specific or amending provisions. However, such provisions must conform to the general principles applicable to the Loans and apply only to the Loans referred to therein and prevail over the provisions of the Agreement in case of conflict.

4.1.4 Before entering into a Loan, the Parties may agree to reserve Securities in favour of one of the Parties on conditions determined at their discretion. Such agreement shall be followed by an exchange of Confirmations specifying its conditions. If the borrower decides to borrow the Securities so reserved, it shall notify the lender of such decision, upon which a Loan will automatically come into effect, on the terms previously agreed between the Parties.

4.2 Delivery of Securities

The lender shall deliver the Securities to the borrower on the Delivery Date in accordance with the terms specified in the relevant Confirmation, as well as applicable regulations and market practice, in such a way that the Securities shall be credited to the borrower's account in book-entry form or by other means. Title to the loaned Securities shall be transferred to the borrower on delivery. The borrower may then make free use of the Securities provided that it redelivers an identical amount of Securities of the same nature on the Redelivery Date, except where the provisions of Article†7 apply.

For a Secured Loan, the borrower simultaneously posts Collateral in favour of the lender by way of a Transfer in favour of the lender.

4.3 Redelivery of Securities - Determination of the Redelivery Date

4.3.1 The borrower shall return the loaned Securities to the lender on the Redelivery Date. For Secured Loans, the Securities shall be redelivered against the Collateral delivered by the borrower in respect of such Loan. In the event that an allotment of securities or rights occurred during the life of the Loan in respect of the Securities loaned or delivered as Collateral, in application of the provisions of Article 6.1.2, the Party redelivering such Securities shall at the same time redeliver the securities and rights so allotted.

4.3.2 When the Redelivery Date is specified in the Loan Confirmation, without further specifications, such date is set and may not be modified, except in the cases specified in Article 6.3 or, if applicable, in the Appendix..

4.3.3 The Parties are entitled to mention in the Confirmation :

4.3.3.1 when a Redelivery Date is set, the conditions (e.g. occurrence of Events altering the Redelivery Date, the duration of the notice period or financial compensation) under which such Redelivery Date may be altered. In such cases, the conditions specified in the Confirmation shall apply to the relevant Loan; or

4.3.3.2 leave the Redelivery Date open, in which case both the borrower and the lender shall be entitled to terminate the Loan at any time by notifying the other Party, provided that they notify the other Party at least two (2) Business Days before the beginning of the Customary Delivery Period.

4.3.4 The borrower may at any time request a partial or total extension of a Loan falling due. Having regard to the Customary Delivery Period, the lender shall give written notice to the borrower of its decision to grant or refuse an extension, without having to justify such decision. If the lender accepts to extend the Loan, the Parties shall then agree the terms of such extension, which shall not constitute a novation of the Loan concerned or of any existing Collateral.

4.4 Lender's remuneration

4.4.1 The remuneration of the Loan shall be as agreed between the Parties and shall be specified in the corresponding Confirmation. The remuneration can be calculated by reference to a fixed minimum or on a time-apportioned basis, according to a formula specified in the Appendix.

4.4.2 The remuneration shall be paid by the borrower to the lender on the Redelivery Date or any other date agreed between the Parties and specified in the Confirmation.

ARTICLE 5 - SETTING UP AND MANAGING COLLATERAL

5.1 In the case of Secured Loans, the borrower shall transfer cash or Securities to the lender, who shall thereby acquire full legal title thereto, in the conditions specified in the Appendix and the relevant Confirmation, as security for the borrower's obligations. Cash and Securities delivered shall constitute the receiving Party's Collateral for all Loans between the Parties, whether such Loans are Secured Loans or not.

5.2 The Parties shall from time to time, in accordance with the provisions of the Appendix, make Transfers in amounts calculated by the Calculation Agent to take into account variations in the Value of the Securities loaned or posted as Collateral. The Calculation Agent shall promptly notify the Parties of its calculations, which shall be final and, save in the case of manifest error, binding on the Parties. Each Party undertakes to make promptly any Transfer required from it as a result thereof.

5.3 Where Collateral is provided in the form of cash, the Party receiving it shall pay a Cash Collateral Fee, which shall be determined and paid in accordance with the conditions set out in the Appendix.

5.4 Where Collateral is provided in the form of Securities, the Party posting such Collateral may substitute new Securities at any time, provided that the Adjusted Value of the new Securities is at least equal to the that of the Securities initially transferred. To this end, a Party opting for substitution shall serve a substitution notice on the Party holding the Collateral at the latest two (2) Business Days plus the Customary Delivery Period before the scheduled substitution date. On the substitution date, the Party holding the Collateral shall redeliver the Securities initially posted as collateral against delivery by the other Party of the new Securities. The substitution shall not constitute a novation of the Loan or of any existing Collateral relating to such Loan.

5.5 The Party having received cash and/or Securities as Collateral may freely use such cash and/or Securities, on condition that it redelivers the same quantity (and, in the case of Securities, the same type) when required to do so under the terms of the Agreement.

ARTICLE 6 - CORPORATE ACTIONS

6.1 Corporate actions that do not interrupt the Loan

6.1.1 In the event of corporate actions - public offers, exchange offers, buyout offers, bonus issues, capital increases, stock splits, or generally any corporate action involving a preferential right, subscription right, or priority subscription period - the lender may ask the borrower to participate in the operation on the lender's behalf, and at the lender's expense, under the conditions applicable to the corporate action concerned. The lender shall then pay the borrower, within the regulatory or customary deadlines, any sum needed to take part in such operation. However, the borrower may decline to participate in the said operation, in which case the Securities shall be redelivered to the lender in order to allow it to participate directly.

6.1.2 Other rights or entitlements allotted in relation to the Securities shall be kept by the Party holding such Securities and redelivered to the other Party at the same time as the Securities to which they relate. Such rights or entitlements shall be taken into consideration in determining the Value of the Security and the Adjusted Value of the Collateral.

6.1.3 The lender waives any claim it may have against the borrower in respect of Securities that could not be subscribed to, or obtained, due to the lender's failure to provide instructions within regulatory or customary deadlines.

6.2 Sums received by virtue of holding Securities

In the case of a payment of interest or any other sum due on the Securities and not subject to withholding tax, or for which no tax credit (crédit d'impôt) is received, the borrower (if the payment relates to the Securities loaned) or the Party holding the Collateral (if the payment relates to the Securities posted as Collateral) shall pay to the other Party a cash amount equal to the sum received. Such payment shall be made on the day on which such sum is actually received by the relevant Party.

6.3 Early redelivery of Securities

6.3.1 If one of the events specified in Article 31 b of the Law occurs, the Securities affected by such event shall be redelivered by the relevant Party (the borrower for the loaned Securities; the Party holding the Collateral for the Securities posted as Collateral), without the payment of any indemnity for early return. In such circumstances, the Securities must be redelivered no later than the Business Day preceding the day on which the event occurs. If the event relates to Securities loaned, the Loan shall be terminated on the Redelivery Date. If the event relates to Securities posted as Collateral, the Party who posted such Collateral shall substitute other Securities not affected by the event, in accordance with the provisions of Article 5.4.

6.3.2 If a meeting of the holders of the loaned Securities is convened, at which voting rights can be exercised, the lender may bring forward the Redelivery Date of the Loan in order to exercise such rights. To do so, the lender shall serve notice of early redelivery no later than two Business Days, plus the Customary Delivery Period, before the deadline for exercising the rights. The borrower shall use its best effort to comply with the lender's request.

6.3.3 The Parties may specify in the Appendix additional events for early redelivery of Securities.

ARTICLE 7 - EARLY TERMINATION OF LOANS

7.1 Early Termination due to an Event of Default

7.1.1 The following events shall constitute "Events of Default" for the Party to which they apply (the "Defaulting Party"):

7.1.1.1 the failure by the relevant Party to perform any of its obligations under the Agreement or a Loan (relating to payments, deliveries, Transfers, or any other obligations under the Agreement), where such failure is not remedied within three Business Days after the other Party (the "Non-Defaulting Party") has served notice on the Defaulting Party.

7.1.1.2 any representation made by the relevant Party proving to have been untrue when made, or ceases to be true, in any material respect;

7.1.1.3 the relevant Party declaring that it is unable to pay all or part of its debts as they fall due or to perform its obligations, or refusing to do so; a moratorium being granted by an administrative or judiciary authority; the relevant Party entering into a general arrangement with its creditors; a judicial or ad-hoc administrator being appointed with respect to the relevant Party; the relevant Party being suspended from issuing securities on a given market by a regulatory authority; or any equivalent procedure is applicable to the relevant Party;

7.1.1.4 the relevant Party ceasing to carry on its business, starting voluntary liquidation proceedings or any other equivalent proceedings; judicial proceedings being commenced for the reorganisation or

liquidation of the relevant Party; or any equivalent proceedings affecting the head office or any of the branches of the relevant Party;

7.1.1.5 the failure by the relevant Party to meet any of its payment obligations to the Non-Defaulting Party or any third party, other than those arising pursuant to the Agreement or a Loan, except in the case of manifest error and unless the relevant Party disputes such payment in good faith; or

7.1.1.6 any event that may render any guarantee or surety separately granted by the Defaulting Party in favour of the Non-Defaulting Party in relation to one or more Loans void or unenforceable, and any of the events referred to in Articles 7.1.1.3 to 7.1.1.5 which affects a third party who has issued a personal guarantee in respect of the Agreement or a Loan.

7.1.2 Upon the occurrence of an Event of Default the Non-Defaulting Party may, by notice to the Defaulting Party, suspend the performance of its obligations under the Agreement. The Non-Defaulting Party may also terminate all outstanding Loans between the Parties and determine the Termination Balance. The notice shall specify the Event of Default relied on as well as the Termination Date selected. It is hereby specified that the notices referred to in Article 7.1.1.1 and in this Article can be served in a single document.

7.2 Early Termination in the event of a New Circumstance

7.2.1 Any of the following events shall constitute a New Circumstance for one of the Parties (the "Affected Party"):

7.2.1.1 any new law or regulation, any tax deduction or withholding being imposed in relation to any amount payable by the Parties, any amendment to or modification of any existing law or any other mandatory provisions or any change in the legal or administrative interpretation of such law or provision, which renders any Loan illegal for the Affected Party;

7.2.1.2 any merger or demerger involving the Affected Party or any disposal by the Affected Party of any part of its assets that would substantially and materially impair its business, assets or financial situation.

7.2.2 A Party which becomes aware of the occurrence of a New Circumstance described in Article 7.2.1.1 shall promptly notify the other Party, specifying in such notice the Loans affected by the New Circumstance. The Parties shall then suspend the performance of the obligations pertaining solely to the Loans affected. Also, they shall negotiate in good faith and for a reasonable period of time (up to 30 days) with a view to reaching a mutually satisfactory arrangement for making such Loans legal or for avoiding the potential deduction or withholding. If no mutually satisfactory solution has been found by the end of such period, either Party may notify the other of the termination of the Loans affected by the New Circumstance. Such notice shall specify the Termination Date selected.

7.2.3 Upon the occurrence of a New Circumstance described in Article 7.2.1.2, all Loans shall be deemed to be affected. The other Party (the Non-Affected Party) may, by notice to the Affected Party, suspend the performance of its obligations and terminate all outstanding Loans between the Parties, irrespective of the location of their conclusion or performance. This notice shall specify the Termination Date selected.

7.2.4 If a New Circumstance directly results in an Event of Default, such Event of Default is deemed not to have occurred and only the provisions of Article 7.2 shall apply.

7.3 Effects of termination

7.3.1 As of the Termination Date, each Party shall become the definitive owner of the cash and Securities transferred to it in respect of the terminated Loans.

7.3.2 The termination shall give rise to the payment of a Termination Balance in respect of terminated Loans. When the termination results from an Event of Default, the Non-Defaulting Party shall also be

entitled to reimbursement of the costs specified in Article 11.5. The Parties shall be released, as of the Termination Date, from all other obligations relating to the terminated Loans.

ARTICLE 8 - CALCULATION AND PAYMENT OF THE TERMINATION BALANCE

8.1 Determining the Termination Balance

8.1.1 The Calculation Agent shall determine the Termination Balance as at the Termination Date.

8.1.2 To this end, the Calculation Agent shall identify the net lending risk of the Non-Defaulting or Non-Affected Party, which is equal to the positive or negative difference between (x) the Market Value of the Securities loaned by that Party (if any, otherwise x is zero), and (y) the Market Value of the Securities borrowed by that Party (if any, otherwise y is zero).

8.1.3 The Termination Balance is thus equal to the positive or negative difference between:

(a) the net lending risk of the Non-Defaulting or Non-Affected Party, plus any Amount Due by the other Party minus any Amount Due by the Non-Defaulting or Non-Affected Party, and

(b) the Market Value of any Collateral held, including the accrued portion of any related Cash Collateral Fee, with a plus sign when the Collateral is held by the Non-Defaulting or Non-Affected Party and a minus sign when the Collateral is held by the other Party.

The Calculation Agent shall determine the Currency in which the Termination Balance is denominated. All amounts shall be converted into the termination currency at the spot exchange rates available to the Calculation Agent at 12 noon on the Termination Date.

8.1.4 Upon occurrence of a New Circumstance described in Article 7.2.1, and assuming that only some of the outstanding Loans are affected, the Collateral shall be taken into account solely by reference to the Affected Loans, if any, governed by the Agreement.

8.2 Notice and payment of the Termination Balance

8.2.1 The Termination Balance shall be payable by the Defaulting or Affected Party if it is positive, and by the other Party if it is negative.

8.2.2 The Calculation Agent shall notify the Parties of the Termination Balance and give details of the calculations used to determine it. These calculations shall be final and, save in the case of manifest error, binding on the Parties

8.2.3 The Party owing the Termination Balance shall pay it to the other Party within three Business Days from receipt of the notice referred to in Article 8.2.2. However, if after the occurrence of an Event of Default, the Termination Balance is due by the Non-Defaulting Party to the Defaulting Party, the Non-Defaulting Party is irrevocably authorised to set off such amount against any amount owed to it, on any account, by the Defaulting Party.

8.2.4 In the event of late payment of the Termination Balance, the amount of such Termination Balance shall be increased by Late-Payment Interests, which shall be automatically payable without further notice and shall accrue from the Termination date (inclusive) to the date on which the Termination Balance is actually paid (exclusive).

ARTICLE 9 - REPRESENTATIONS AND WARRANTIES

Each Party hereby represents and warrants as at the date hereof, such representations and warranties being deemed to be repeated on each date on which the Parties enter into a Loan, that:

9.1 it is duly incorporated and carries on its business in accordance with all applicable laws, decrees and its statutes (or other constitutive documents);

9.2 it has full power and capacity to enter into the Agreement and any Loans, which have been validly authorised by all required corporate actions or by any other competent authority; all permits, licenses and approvals necessary to enter into and perform the Agreement and any Loans have been duly obtained and remain valid;

9.3 the execution and performance of the Agreement and any related Loan do not breach any law, decree or regulation, or its statutes (or other constitutive documents); the Agreement and the Loans constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms.

9.4 it has the knowledge and experience necessary to assess the advantages and risks of each Loan and has not relied on the other Party for such assessment; and

9.5 no Event of Default exists in relation to the Party; no litigation, no arbitration or administrative proceedings is pending against it that could materially affect its business, assets or financial situation, or that could affect the validity or performance of the Agreement or any Loan.

ARTICLE 10 - LOANS ENTERED INTO ON BEHALF OF THIRD PARTIES

When a Party acts as agent for a third party in relation to a Loan without having expressly disclosed the principal's identity in advance to the other Party, such Loan shall be binding on the Party acting as agent as if it were acting in its own name and for its own account.

ARTICLE 11 - MISCELLANEOUS

11.1 Notices

All notices issued under the Agreement shall be served by letter, telex or other electronic transmission of sufficient security and reliability. Notices shall take effect on the day they are received.

11.2 Payment in a currency other than the agreed currency

If, for any reason, a payment is made in a currency other than the Currency specified for a Loan, and if there is any shortfall upon conversion of that currency into the currency of the Loan, the debtor shall, as a separate obligation, indemnify the other Party on demand and without protest against resulting costs and losses.

11.3 No-waiver

No failure or delay by either Party in exercising any right, remedy or privilege hereunder shall operate as a waiver thereof.

11.4 Assignment

Neither Party may assign or transfer its rights or obligations hereunder or under any Loan without the prior consent of the other Party.

11.5 Late payment

In the event of late payment of any amount, the debtor undertakes to pay Late-Payment Interests in addition to the amount concerned. Such interest shall be due forthwith, without further demand. Late-Payment Interests on the overdue amount shall accrue from the due date (inclusive) up to the actual payment date (exclusive).

11.6 Costs and expenses

Upon the early termination of the Loans, the Non-Defaulting Party shall be entitled to the reimbursement of costs and expenses (including legal costs and expenses) reasonably incurred by it as a result of the occurrence of an Event of Default, so long as it is able to prove such costs and expenses.

ARTICLE 12 - DURATION OF THE AGREEMENT

12.1 The Agreement is entered into for an unspecified duration. It may be terminated at any time by return-receipt registered letter, with effect one month after receipt.

12.2 To all intents and purposes, the Agreement governs the relations between the Parties for all Loans entered into before the effective date of the termination.

ARTICLE 13 - WAIVER OF IMMUNITY

The Agreement is commercial in nature. To the extent that either Party may claim for itself or its assets immunity from suit, execution, attachment or other legal process in any jurisdiction, such Party hereby irrevocably waives such immunity to the fullest extent permitted by the laws of the relevant jurisdiction. To the fullest extent permitted by law, the Parties irrevocably waive all immunity of jurisdiction or execution that they could otherwise assert, pertaining not only to themselves but also to their present or future assets.

ARTICLE 14 - GOVERNING LAW AND JURISDICTION

14.1 The Agreement shall be governed by, and construed in accordance with, French law. If the Agreement is translated, the signed version shall prevail.

14.2 All disputes, in particular regarding the validity, interpretation or performance of the Agreement, shall be referred to the competent Courts within the jurisdiction of the Paris Court of Appeal.

Done in _____, on _____ in _____ copies

PARTY A PARTY B

represented by _____ represented by _____

APPENDIX

SECTION I

FINANCIAL PARAMETERS

TRANSFER AND MANAGEMENT OF COLLATERAL

Calculation Dates	Each [Business Day, st/nd/rd/th Business Day of each week/month]		
Customary Delivery Period	Cash amount in FRF	T	
	Cash amounts in other currencies	T + 3	
	Securities	Standard settlement date in the market in which the Security is usually traded by the relevant Party	
Rounding	Cash amounts: In FRF: Other currencies: Securities Denomination		
Trigger point	Transfers increasing the Collateral of [Party A] or reducing the Collateral of [Party B] Transfers increasing the Collateral of [Party†A] or reducing the Collateral of [Party†B]		
Assets posted as Collatera	Assets transferred to [Party A] as Collateral	Eligible assets (exhaustive list)	Adjusted Value
		Government securities	____%
		Other fixed-income securities	____% (by prior agreement)
		Securities giving access to equity (shares)	____% (by prior agreement)
			(% of the Value of the Security)
		Cash amounts	100% ____% (% of nominal amount, excluding Cash Collateral Fee)
		- in FRF	
		- in other Currencies	
	Assets transferred to [Party B] as Collateral	Eligible assets (exhaustive list)	Adjusted Value
		Government securities	____%
		Other fixed-income securities	____% (by prior agreement)
		Securities giving access to equity (shares)	____% (by prior agreement)
		Cash amounts	____% (by prior agreement)
		- in FRF	
		- in other Currencies	(% of the Value of the Security)
			100%
			____% (% of nominal amount, excluding Cash Collateral Fee)

COMMISSIONS DUE
LOAN FEE (availability of Securities loaned)

Rate	
Calculation and payment method	CASH COLLATERAL FEE (amounts posted as Collateral)
Payment date	On the Redelivery Date, for Secured Loans with individually managed Collateral, On the _____/final Business Day of each calendar month for Secured Loans with pooled Collateral.
Reference rate	Amounts in FRF: Amounts in other currencies:

MISCELLANEOUS

Calculation Agent for [Party A]	[Party A]/_____
Calculation Agent for [Party†B]	[Party†B]/_____
Option to substitute Collateral Securities	(not available, unless otherwise specified)
Late Payment Interests	For French Francs, TMP during the relevant period, plus 1% per annum; For other currencies, the average of the daily rates to which the recipient of the payment has access during the relevant period, plus 1% per annum.
Allowed Difference_	_____, or its equivalent amount in the relevant Base Currency.____

SECTION II

ADMINISTRATIVE PARAMETERS

Administrative parameters concerning [Name of PARTY A]

Address to which notices must be served_(to head office if not otherwise specified)

Department_(to head office if not otherwise specified)

Telex

Telephone

Persons authorised to conclude Loan contracts_(corporate representative unless otherwise specified)

Supervisor_(optional)

Administrative parameters concerning [Name of PARTY B]

Address to which notices must be served (to head office if not otherwise specified)

Department_(to head office if not otherwise specified)

Telex

Telephone

Persons authorised to conclude Loan contracts_(corporate agent unless otherwise specified)

Supervisor_(optional)

SECTION III

TECHNICAL PROVISIONS REGARDING MANAGEMENT OF COLLATERAL

The Parties may agree to manage the Collateral on an individual basis for each Secured Loan or as a pool for all Secured Loans.

A. Loan-by-Loan management of Collateral

A.1. On the Commencement Date of each Secured Loan, the borrower transfers Collateral to the Lender by making a Transfer. The amount of that Transfer is such that the Adjusted Value of the Collateral in the Base Currency of the Secured Loan is equal to the Value of the loaned Securities.

A.2. On each Calculation Date during the life of the Loan, the Calculation Agent determines the Margin Difference for such Loan, equal to the positive or negative difference between :

- (x) the Value of the loaned Securities, and
- (y) the Adjusted Value of the Collateral for such Loan.

If the Margin Difference is positive, the borrower shall, at the lender's request, transfer additional Collateral equal to the Margin Difference in the Base Currency for the relevant Loan. If the Margin Difference is negative, then, at the borrower's request, the Lender shall redeliver Collateral to the Borrower in an amount equal to the absolute value of the Margin Difference in the Base Currency of the relevant Loan.

A.3. Subject to satisfactory performance by the borrower of its obligations, the Lender shall redeliver the Collateral in full on the Redelivery Date of the Loan.

B. Pooled management of Collateral for Secured Loans

B.1. On each Calculation Date, the Calculation Agent shall determine the Margin Difference for all outstanding Secured Loans. To do so, it identifies the Party with a positive Net Lending Risk for such Loans. A Party's Net Lending Risk is equal to the positive or negative difference between (x) the Value of the Securities loaned by that Party (if any, otherwise x is zero) and (y) the Value of the Securities borrowed by the Party (if any, otherwise y is zero).

B.2. The Margin Difference for a Party having a positive Net Lending Risk shall be equal to the difference between:

- (x) its Net Lending Risk; and
- (y) the Adjusted Value of the Collateral held in respect of the outstanding Secured Loans (with a plus sign if Collateral is held by the said Party and a minus sign if not).

B.3. The Parties shall make the Transfers defined below:

When the Collateral is held by the Party with a positive Net Lending Risk:

- if such Party has a positive Margin Difference, at its request, the other Party shall post additional Collateral in its favour in an amount equal to the Margin Difference in the Base Currency;
- if such Party has a negative Margin Difference, it shall redeliver Collateral by making a Transfer in an amount equal to absolute value of the Margin Difference in the Base Currency, upon request of the other Party;

When Collateral is held by the Party with a negative Net Lending Risk, such Party shall redeliver all Collateral held at the request of the other Party and provide additional Collateral equal to the Margin Difference in the Base Currency.

B.4 Subject to satisfactory performance by the other Party of its obligations, the Party holding Collateral shall redeliver it in full to the other Party on the last of the Repayment Dates of the Secured Loans.

C. Pooled management of Collateral with several Base Currencies

The Parties may also agree to manage Collateral in several Base Currencies. The preceding provisions apply *mutatis mutandis* for all Secured Loans having the same Base Currency.

D. Common provisions concerning management of Collateral and Transfers

D.1. Any Transfer notified by the Calculation Agent regarding a particular Calculation Date shall be made within the Customary Delivery Period following receipt of the relevant notice. A Transfer is made only to the extent it exceeds the relevant Trigger Point, without deduction, for the immediately lower rounding multiple, except for the cases specified in Articles A.3 and B.3.

D.2. Any amount or value expressed in a currency other than the Base Currency shall be applied at its equivalent value in the said Base Currency at the spot exchange rate agreed upon by the Parties or, in the absence of agreement, at the spot rate available to the Calculation Agent for the Base Currency at noon on the relevant date.

D.3. The Party making the Transfer is free to choose, from among the eligible assets, those to which the said Transfer applies, unless the Parties have expressly agreed that only assets approved by the receiving Party may be used as Collateral. However, when a Transfer partially reduces the value of posted Collateral, the Party receiving the redelivered Collateral decides whether it shall apply first to cash or Securities that comprise the Collateral.

D.4. When both Parties have named Calculation Agents, who in turn determine Margin Differences at a given Calculation Date, the following provisions apply:

- when the difference between the values concerned is less than, or equal to, the Allowed Difference, the Margin Difference applied is equal to the average of the values calculated by the two Calculation Agents;

- when the difference exceeds the Allowed Difference, the Calculation Agents are notified of the difference and enter into immediate contact to attempt to agree on a Margin Difference. Failing agreement within 24 hours, the first Party to act designates at least three senior market professionals and asks them to assess promptly the Margin Difference. The agreed Margin Difference is equal to the arithmetic mean of the valuations received, with the highest and lowest values excluded. Pending final determination of the Margin Difference, the relevant Party shall transfer, on the normal date, the lowest amount calculated on the basis of the provisionally determined Margin Difference.

DATE : [REDACTED] 2001
DATE: [REDACTED] 2001

**CONVENTION-CADRE AFTB
RELATIVE AUX OPERATIONS DE PENSION LIVREE**

***AFTB MASTER AGREEMENT
FOR REPURCHASE TRANSACTIONS WITH DELIVERY OF SECURITIES***

ENTRE
BETWEEN

LEHMAN BROTHERS INTERNATIONAL (EUROPE)

ET
AND

[REDACTED]

CONVENTION-CADRE RELATIVE AUX OPERATIONS DE PENSION LIVRÉE

**LA CONVENTION-CADRE (LA "CONVENTION")
EST CONCLUE ENTRE :**

(1) **LEIHMAN BROTHERS INTERNATIONAL (EUROPE) (LA "PARTIE A"), UNLIMITED COMPANY HAVING A SHARE CAPITAL, REGIE PAR LE DROIT ANGLAIS, AYANT SON SIEGE SOCIAL A ONE BROADGATE, LONDON EC2M 7HA, ROYAUME-UNI ET ENREGISTREE AUPRES DE LA SECURITIES AND FUTURES AUTHORITY LIMITED,**

REPRESENTÉE PAR [REDACTED],
DUMENT HABILITE AUX FINS DES PRESENTES

AGISSANT POUR SON SIEGE ET TOUTES SES
SUCCURSALES ;

ET

(2) [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
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[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] (LES "FONDS", CHACUN DES
FONDS ETANT APPELE LA "PARTIE B") (LA
PARTIE B ET LA PARTIE A ETANT CI-APRES
APPELES LES "PARTIES");

**MASTER AGREEMENT FOR
REPURCHASE TRANSACTIONS WITH
DELIVERY OF SECURITIES**

THIS MASTER AGREEMENT (THE "AGREEMENT") IS ENTERED INTO BETWEEN:

(1) **LEHMAN BROTHERS INTERNATIONAL (EUROPE) ("PARTY A")**, AN UNLIMITED COMPANY HAVING A SHARE CAPITAL, INCORPORATED AND ORGANISED UNDER ENGLISH LAW, HAVING ITS REGISTERED OFFICE AT ONE BROADGATE, LONDON EC2M 7HA, UNITED-KINGDOM AND REGISTERED WITH THE SECURITIES AND FUTURES AUTHORITY, LIMITED,

REPRESENTED BY [REDACTED], DULY
AUTHORISED FOR THIS PURPOSE

ACTING ON BEHALF OF THE HEAD OFFICE AND
ALL BRANCHES;

AND

(2) [REDACTED] [REDACTED] [REDACTED]
[REDACTED]
[REDACTED] [REDACTED]
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[REDACTED]
[REDACTED] (THE "FUNDS", EACH SUCH FUND
BEING REFERRED TO AS "PARTY B") (PARTY A
AND PARTY B, WILL HEREINAFTER BE REFERRED
TO AS THE "PARTIES");

REPRESENTÉE PAR MME. / M.

REPRESENTED BY MS./MR

DUMENT HABILITE AUX FINS DES PRESENTES

DULY AUTHORISED FOR THIS PURPOSE

AGISSANT POUR SON SIEGE ET TOUTES SES SUCCURSALES.

LES PARTIES SONT CONVENUES DE LA PRESENTE CONVENTION-CADRE (LA "CONVENTION") POUR REGIR LEURS PENSIONS PRESENTES ET FUTURES, LES GLOBALISER ET BENEFICIER DE TOUTES DISPOSITIONS LEGISLATIVES S'Y APPLIQUANT, NOTAMMENT L'ARTICLE 12 DE LA LOI N° 93-1444 DU 31 DECEMBRE 1993 MODIFIEE (LA "LOI") AINSI QUE DES TEXTES D'APPLICATION SUBSEQUENTS.

ACTING ON BEHALF OF THE HEAD OFFICE AND ALL BRANCHES.

THE PARTIES HAVE ENTERED INTO THIS MASTER AGREEMENT (THE "AGREEMENT") IN ORDER TO HAVE THEIR PRESENT AND FUTURE REPURCHASE TRANSACTIONS GOVERNED BY AND BROUGHT UNDER A SINGLE AGREEMENT AND TO BENEFIT FROM ALL LEGISLATIVE PROVISIONS APPLYING THERETO, IN PARTICULAR ARTICLE 12 OF ACT 93-1344 OF 31ST DECEMBER, 1993, AS AMENDED (THE "ACT"), AND ALL SUBSEQUENT IMPLEMENTATION INSTRUMENTS.

ARTICLE 1. PRINCIPES GENERAUX DE LA CONVENTION

1.1 Les principes généraux de la Convention, (les "Principes Généraux") sont les suivants :

- les Pensions régies par la Convention sont exclusivement celles visées par l'article 12 de la Loi et donnant lieu à livraison selon les modalités prévues au décret n° 94-350 du 2 mai 1994 ;
- les Pensions régies par la Convention forment un tout pour leur résiliation et leur compensation ;
- la survenance d'un Cas de Défaillance pour une Partie donne le droit à l'autre de résilier l'ensemble des Pensions régies par la Convention, de compenser les dettes et créances réciproques afférentes et d'établir un Solde de Résiliation à recevoir ou à payer ; et

ARTICLE 1. GENERAL PRINCIPLES OF THE AGREEMENT

1.1 The general principles of this Agreement (the "General Principles") are as follows::

- the Repurchase Transactions governed by this Agreement are solely those referred to in Article 12 of the Act for which the relevant securities are delivered in accordance with the procedures set out in Decree 94-350 dated 2 May 1994;
- the Repurchase Transactions governed by this Agreement shall constitute a whole for termination and netting purposes; ;
- upon an Event of Default by either Party the other Party shall be entitled to terminate all Repurchase Transactions governed by this Agreement, to set off reciprocal liabilities and claims thereunder and establish the Close-out Balance due to or payable by it; and

- ce Solde de Résiliation est déterminé selon une méthode de calcul établie par la Convention qui reflète la valeur économique des Pensions à la date de leur résiliation et tient compte de la Marge constituée par une Partie auprès de l'autre.

1.2 Les Parties peuvent, dans le respect des Principes Généraux, modifier les termes de la Convention en utilisant l'Annexe I, qui fait partie intégrante de la Convention, ou par voie d'avenant. Ces modifications s'appliquent alors en priorité.

ARTICLE 2. DEFINITIONS

Agent de Calcul : Personne (Partie ou tiers) mentionnée à l'Annexe I A, dont le rôle est précisé à l'article 7.2.

Cas de Défaillance : Evénement mentionné à l'article 10.1.1.

Circonstance Nouvelle : Evénement mentionné à l'article 10.2.1.

Confirmation : Document matérialisant l'accord des Parties sur les termes d'une Pension conclue entre elles et reprenant ses caractéristiques spécifiques.

Date de Cession : Date de commencement d'une Pension, à laquelle les Titres mis en pension sont cédés moyennant paiement du Prix de Cession au cédant, telle qu'indiquée dans la Confirmation correspondante.

Date de Résiliation : Date à laquelle intervient la résiliation de l'ensemble des Pensions conclues entre les Parties ou, lors de la survenance d'une Circonstance Nouvelle visée à l'article 10.2.1.1, des seules Pensions

- such Close-out Balance shall be calculated on the basis of a calculation method laid down in the Agreement that reflects the economic value of the Repurchase Transactions at the date of their termination and takes into account the Margin deposited by one Party with the other.

1.2 The Parties may, in accordance with the General Principles, amend the terms of this Agreement by using for such purpose Appendix I, which forms an integral part of this Agreement, or by entering into a supplementary agreement. Such amendments shall then take precedence over this Agreement.

ARTICLE 2. DEFINITIONS

Calculation Agent: A person (a Party or a third party) referred to in Appendix I A, whose function is set out in Article 7.2.

Event of Default: An event mentioned in Article 10.1.1.

Change in Circumstances: An event mentioned in Article 10.2.1.

Confirmation: A document evidencing the agreement of the Parties on the terms and details of a Repurchase Transaction entered into by them, and setting out specific terms and details thereof.

Purchase Date: Date of commencement of a particular Repurchase Transaction, on which the Securities subject to such Repurchase Transaction are transferred against payment of the Purchase Price to the seller, as specified in the relevant Confirmation.

Termination Date: The date on which all Repurchase Transactions entered into by the Parties, or, upon occurrence of a Change in Circumstances referred to in Article 10.2.1.1, only those Repurchase Transactions affected

affectées par cette Circonstance Nouvelle. Cette date est :

- (a) s'il s'agit d'un Cas de Défaillance visé à l'article 10.1.1.5, le jour du jugement de redressement ou de liquidation judiciaire ou de toute procédure équivalente ou, au choix de la Partie Non Défaillante mentionné dans la notification de résiliation, le jour de la publication dudit jugement ou de ladite procédure ; et
- (b) dans les autres cas, le Jour Ouvré choisi par la Partie notifiant la résiliation devant se situer entre la date de réception de la notification et le dixième Jour Ouvré inclus suivant cette date.

Date de Rétrocession : Date d'échéance d'une Pension, à laquelle les Titres mis en pension sont rétrocédés moyennant paiement du Prix de Rétrocession au cessionnaire, telle que fixée lors de la conclusion de la Pension (et indiquée dans la Confirmation correspondante) ou au cours de la Pension, sous réserve du respect du préavis initialement fixé.

Date de Valorisation : Date à laquelle il est procédé à la détermination des Ecart de Valeur des Pensions avec Marge, telle que précisée à l'Annexe I A.

Devise : Toute monnaie librement convertible et transférable, y compris l'Ecu.

Devise de Référence : Devise choisie par les Parties dans laquelle sont exprimés et versés la Marge et le Solde de Résiliation, telle que précisée à l'Annexe I A.

Ecart de Valeur : Pour une Pension déterminée, risque encouru (hors Marge) par une Partie sur l'autre du fait de l'évolution de la Valeur des Titres mis en pension, constaté à

by such Change of Circumstances, are terminated. Such date will be:-

- (a) in the case of an Event of Default as referred to in Article 10.1.1.5, the date of the judgment commencing the reorganization or winding up proceedings or any equivalent proceedings or, if the Non-Defaulting Party cited in the termination notice so elects, the date of publication of such judgment or proceedings; and
- (b) in all other cases, the Business Day selected by the Party giving notice of termination, being any one of the ten Business Days following the date of receipt of the notice.

Repurchase Date : Maturity date of a Repurchase Transaction, on which the Securities subject to such Repurchase Transaction are sold back against payment to the buyer of the Repurchase Price, as set out at the time of such Repurchase Transaction was entered into (and specified in the relevant Confirmation) or, subject to fulfillment of any applicable notice requirement, during the lifetime of the relevant Repurchase Transaction.

Valuation Date: Date on which the Valuation Deficiencies of all Margin Transactions are established, as set out in Appendix I A.

Currency: Any freely convertible and transferable currency, including ECU.

Reference Currency: Currency selected by the Parties in which the Margin and Close-out Balance are denominated and paid, as set out in Appendix I A.

Valuation Deficiency: For a given Repurchase Transaction, the exposure (not taking into account any deposited Margin) of one Party to the other on a given Valuation

une Date de Valorisation et défini à l'Annexe I C.

Intérêts de Retard : Intérêts calculés sur toute somme due par une Partie à une autre et non versée au taux (dit Taux de Retard) défini à l'Annexe I A.

Jour Ouvré : Jour entier où les Banques sont ouvertes pour le règlement d'opérations interbancaires sur la place financière mentionnée à l'Annexe I A.

Marge : A une date donnée, les sommes d'argent et Titres remis en pleine propriété à une Partie en application des dispositions de l'article 7.2 et de l'Annexe I C, tels que valorisés à ladite date.

Marge Initiale de Sécurité : Pour une Pension déterminée, niveau d'ajustement convenu par les Parties lors de sa conclusion, permettant de déterminer le Prix de Cession à partir de la quantité et de la Valeur des Titres mis en pension.

Montant Dû : Pour une Pension résiliée et une Partie déterminée, la somme des paiements qui étaient dus par cette Partie et n'ont pas eu lieu (pour quelque raison que ce soit) à la Date de Résiliation et des Intérêts de Retard afférents, calculés depuis leur date d'échéance jusqu'à la Date de Résiliation.

Pension : Opération par laquelle une Partie cède en pleine propriété à l'autre, moyennant un prix convenu, des Titres et par laquelle le cédant et le cessionnaire s'engagent respectivement et irrévocablement, le premier à reprendre les Titres, le second à les rétrocéder pour un prix et à une date convenus.

Pension avec Marge : Toute Pension autre que celles pour lesquelles les Parties ont

Date, as a result of the change in the Value of the Securities subject to such Repurchase Transaction, as defined in Appendix I C.

Late Interest: Interest calculated on any and all amounts due from one Party to the other and not paid, at the interest rate (the Late Interest Rate) as defined in Appendix I A.

Business Day: A day on which banks are open for the settlement of interbank transactions in the financial center referred to in Appendix I A.

Margin: On a given date, any sums of money and/or Securities, full title to which has passed to one Party in accordance with the provisions of Article 7.2 and Appendix I C, as valued on such date.

Haircut: For a given Repurchase Transaction, the adjustment level agreed to by the Parties at the time such Repurchase Transaction is entered into, thus allowing the Purchase Price of the Securities subject to such Repurchase Transaction to be established by reference to the volume and Value thereof.

Amount due: In relation to a terminated Repurchase Transaction and a specific Party, the sum of any amounts that were payable by such Party and have not been paid for whatever reason at the Termination Date, together with accrued Late Interest, calculated from the due date for payment to the Termination Date.

Repurchase Transaction: Transaction pursuant to which one Party transfers to the other full title to Securities in consideration for an agreed price, with the seller irrevocably undertaking to repurchase the Securities, and the buyer irrevocably undertaking to sell them back to the seller on an agreed date and at an agreed price.

Margin Transaction: Any Repurchase Transaction other than those in respect of

expressément exclu, dans les Confirmations correspondantes, l'application des dispositions de l'article 7 et de l'Annexe I C.

Prix de Cession : Pour une Pension déterminée, montant versé par le cessionnaire à la Date de Cession (compte tenu de la Marge Initiale de Sécurité, si elle existe), en contrepartie de la livraison par le cédant des Titres mis en pension.

Prix de la Rétrocession : Pour une Pension déterminée, montant versé par le cédant à la Date de Rétrocession, en contrepartie de la livraison par le cessionnaire des Titres mis en pension.

Solde de Résiliation : Montant établi à la Date de Résiliation par la Partie Non Défaillante ou la Partie Non Affectée, conformément aux dispositions de l'article 11.1.

Taux de la Pension : Pour une Pension déterminée, taux d'intérêt convenu entre les Parties lors de sa conclusion, en application duquel sera calculé le Prix de la Rétrocession de ladite Pension.

Taux de Référence : Taux d'intérêt exprimé dans la Devise de Référence déterminant le coût d'immobilisation des sommes d'argent constituant la Marge, tel que précisé à l'Annexe I A.

Titres : Valeurs, titres ou effets visés à l'article 3.

Valeur de la Marge : A une Date de Valorisation quelconque :

- pour la partie de la Marge constituée de sommes d'argent, valeur desdites sommes à la Date de Valorisation précédente (après éventuel ajustement de Marge à cette date), majorée des intérêts courus, calculés au Taux de Référence pour la période allant de la Date de Valorisation précédente à la Date de Valorisation

which the Parties have expressly excluded, in the relevant Confirmations, the application of the provisions of Article 7 and Appendix I C.

Purchase Price: For a given Repurchase Transaction, the amount paid by the buyer on the Purchase Date (taking into account the Haircut, if any), against delivery by the seller of the Securities subject to such Repurchase Transaction.

Repurchase Price: For a given Repurchase Transaction, the amount paid by the seller on the Repurchase Date against the return of the relevant Securities by the buyer.

Close-out Balance: Amount established on the Termination Date by the Non-Defaulting Party or the Non-Affected Party, in accordance with the provisions of Article 11.1.

Repurchase Rate: For a given Repurchase Transaction, the interest rate agreed upon between the Parties at the time such Repurchase Transaction is entered into, pursuant to which the Repurchase Price will be calculated.

Reference Rate: Interest rate in the Reference Currency, establishing the cost of maintaining any cash Margin, as set out in Appendix I A.

Securities: The assets, securities and negotiable instruments referred to in Article 3.

Value of the Margin: On any Valuation Date:

- for that portion of the Margin consisting of cash, the value of such cash on the preceding Valuation Date (after any adjustment of the Margin as of such date), plus any accrued interest, calculated at the Reference Rate for the period from the preceding Valuation Date up to such Valuation Date; and

considérée ; et

- pour la partie de la Marge constituée de Titres, Valeur desdits Titres à la Date de Valorisation considérée (avant éventuel ajustement à cette date).

- for that portion of the Margin consisting of Securities, the Value of such Securities on the relevant Valuation Date (before any adjustment on such date).

Valeur du (des) Titre(s) : A une date déterminée :

Value of the Security(les): On any given date:

- si le Titre en question est coté sur une bourse de valeurs, dernier cours dudit Titre à la date considérée, majoré le cas échéant du coupon couru à ladite date ;
- si le Titre fait, sur son marché principal, l'objet d'un relevé de cours effectué à l'initiative d'une banque centrale ou d'un organisme à l'autorité incontestée, ledit cours à la date considérée majoré le cas échéant du coupon couru à ladite date ; et
- dans les autres cas, moyenne du prix de vente et d'achat dudit Titre à 15h00 (heure locale) à cette date coté par deux intervenants de premier rang autres que les Parties, majoré le cas échéant du coupon couru à ladite date.

- if the relevant Security is listed on a stock exchange, the last quoted price of such Security on the relevant date, plus any interest or dividend accrued as of that date;
- if the relevant Security has, on the main market on which it is traded, its price published or made public by a central bank or an entity of undisputed authority, such price on such date, plus any interest or dividend accrued as of that date; and
- in any other case, the average of the bid and offer prices for such Security, at 3 p.m. (local time) on such date, as established by two prime market participants other than the Parties, plus interest or dividend accrued as of that date.

ARTICLE 3. TITRES ADMISSIBLES - SUBSTITUTION DE TITRES

3.1 Les Parties conviennent que les Pensions conclues entre elles pourront porter sur les valeurs, titres ou effets définis ci-après :

- les valeurs mobilières (autres que les actions) inscrites à la cote officielle d'un marché français ou étranger ;
- les valeurs (autres que les actions) inscrites à la cote du second marché ;

ARTICLE 3. ELIGIBLE SECURITIES - SUBSTITUTION OF SECURITIES

3.1 The Parties agree that the Repurchase Transactions entered into between them may be in respect of the following assets, securities and negotiable instruments :

- negotiable securities (other than equity securities), listed on the official list of a French or foreign exchange;
- negotiable securities (other than equity securities), listed on the Second Market;

- les titres de créances négociables sur un marché réglementé français ou étranger ; et
- les effets publics ou privés (sous réserve, pour les effets privés, que chaque Partie soit un établissement de crédit).

- negotiable debt instruments traded on an organized French or foreign exchange; and
- private and public sector promissory notes and bills of exchange (with the proviso, for private notes and bills, that each Party be a credit institution).

3.2 Les Parties peuvent à tout moment convenir de substituer à des Titres déjà mis en pension d'autres Titres, sous réserve qu'à la date à laquelle elles décident de la substitution les nouveaux Titres aient une Valeur au moins égale à celle des Titres initialement mis en pension auxquels ils sont substitués. La substitution se réalise, dans les conditions visées à l'article 6.2, par le transfert, par le cédant au cessionnaire, de la propriété des Titres substitués et par le transfert, par le cessionnaire au cédant, des Titres initialement mis en pension. Cette substitution n'a pas d'effet novatoire sur la Pension considérée ou sur la Marge déjà constituée. En conséquence, les Parties restent tenues dans les termes et conditions convenus entre elles pour la Pension considérée, l'engagement de rétrocession portant dès lors sur les Titres substitués.

3.2 The Parties may at any time agree to substitute other Securities for any Securities subject to a Repurchase Transaction, provided that at the time on which they opt for such substitution, the Value of the new Securities be at least equal to the Value of the original Securities for which they are being substituted. The substitution is to be made, in accordance with the provisions of Article 6.2, by the transfer of title to the new Securities by the seller to the buyer and transfer of title to the original Securities by the buyer to the seller. The substitution will have no novation effect on the relevant Repurchase Transaction or any Margin that may already have been deposited. Accordingly, the Parties remain bound by the terms and conditions of the relevant Repurchase Transaction, with the undertaking to repurchase applying thenceforth to the new Securities.

ARTICLE 4. OPERATIONS SUR TITRES

4.1 En cas de mise en paiement, pendant la durée de la Pension, d'un intérêt ou de toute somme non soumise à la retenue à la source prévue par les dispositions du Code général des impôts, le cessionnaire paiera au cédant un montant en espèces équivalent à la somme mise en paiement. Ce versement interviendra le jour même de la date de mise en paiement. Les dispositions de l'article 8.2.3 s'appliqueront en cas de retard.

4.2 En cas d'amortissement, de tirage au sort conduisant au remboursement, d'échange, de

ARTICLE 4. EVENTS RELATING TO SECURITIES

4.1 In the event of any payment of interest or any other sum not subject to the deduction of tax at source provided for by the *Code général des impôts* during the course of the Repurchase Transaction, the buyer will pay to the seller a cash amount equal to the sum so paid. Such cash payment will take place on the same day as that on which the payment is made. The provisions of Article 8.2.3 will apply in cases of delay.

4.2 In the event of any redemption, drawing of lots resulting in redemption, exchange,

conversion ou d'exercice d'un bon de souscription de Titres mis en pension, la Date de Rétrocession de la Pension concernée sera automatiquement avancée au deuxième Jour Ouvré suivant la publication de l'avis annonçant l'opération concernée.

4.3 En cas d'offre publique sur les Titres mis en pension, les Parties se concerteront à la requête du cédant ou du cessionnaire sur notification à l'autre Partie faite dans les trois Jours Ouvrés de la publication de l'avis annonçant cette offre. A défaut d'accord intervenu dans un délai de deux Jours Ouvrés à compter de cette notification, la Date de Rétrocession de la Pension concernée sera avancée au deuxième Jour Ouvré suivant la constatation du désaccord.

ARTICLE 5. CONCLUSION DES PENSIONS

5.1 Les Pensions sont conclues par tous moyens et prennent effet entre les Parties dès l'échange de leurs consentements. A cet effet, les Parties s'autorisent mutuellement à procéder à l'enregistrement des conversations téléphoniques relatives à la conclusion de leurs Pensions.

5.2 La Conclusion de chaque Pension devra être suivie d'un échange de Confirmations par lettre, télex, télécopie ou de toute transmission télématique présentant un degré suffisant de fiabilité pour les Parties. L'absence de Confirmation n'affectera en rien la validité de la Pension. En cas de désaccord sur les termes d'une Confirmation, lequel devra être notifié immédiatement à l'autre Partie, chaque Partie pourra se référer à ses enregistrements téléphoniques comme mode de preuve pour établir les termes de la Pension correspondante.

conversion or exercise of subscription rights attaching to the Securities subject to a Repurchase Transaction, the Repurchase Date of the Repurchase Transaction in question will automatically be advanced to the second Business Day following publication of the notice relating to such event.

4.3 In the event of a public offer to buy the Securities subject to a Repurchase Transaction, the Parties will consult together, upon written notice from either the buyer or the seller, any such request to be made within three Business Days of publication of the notice relating to such public offer. If no agreement can be reached within two Business Days after such written notice, the Repurchase Date of the relevant Repurchase Transaction will be advanced to the second Business Day following the formal recording of the disagreement.

ARTICLE 5. INITIATION OF REPURCHASE TRANSACTIONS

5.1 Repurchase Transactions may be entered into by any means, and will take effect between the Parties immediately after each has informed the other of its consent. To this end, each Party authorizes the other to record any telephone conversations relating to the initiation of their Repurchase Transactions.

5.2 The initiation of each Repurchase Transaction shall be followed by an exchange of Confirmations by letter, telex, telefax or any system of electronic communication considered sufficiently reliable by the Parties. The absence of a Confirmation by one of the Parties will not affect the validity of the relevant Repurchase Transaction. In the event of disagreement over the terms of a Confirmation, which disagreement shall be notified immediately to the other Party, each Party may adduce its telephone conversation recordings as evidence to prove the terms of the relevant Repurchase Transaction.

5.3 Les Parties peuvent, dans le respect des Principes Généraux, adopter pour toute Pension des dispositions particulières dans la Confirmation correspondante. Ces dispositions s'appliquent alors exclusivement à la Pension considérée et en priorité par rapport à la Convention.

5.3 Subject to the General Principles, in respect of any Repurchase Transaction the Parties may incorporate special provisions in the relevant Confirmation. Such provisions shall apply solely to the Repurchase Transaction in question and shall take precedence over this Agreement.

ARTICLE 6. CESSIION ET RETROCESSION DES TITRES

6.1 A la Date de Cession, le cédant livrera ou fera livrer au cessionnaire les Titres mis en pension, contre règlement, par celui-ci, du Prix de Cession. A la Date de Rétrocession, le cessionnaire livrera ou fera livrer au cédant les Titres mis en pension, contre règlement, par le cédant, du Prix de Rétrocession.

6.2 Toute livraison de Titres s'effectue de façon à ce que le destinataire ait la pleine propriété des Titres livrés, et selon les modalités prévues par les usages et la réglementation en vigueur.

ARTICLE 6. SALE AND REPURCHASE OF SECURITIES

6.1 On the Purchase Date, the seller will deliver or have delivered to the buyer the Securities subject to a Repurchase Transaction against payment of the Purchase Price by the buyer. On the Repurchase Date, the buyer will deliver or have delivered to the seller the relevant Securities against payment of the Repurchase Price by the seller

6.2 Any delivery of Securities will be made in such a way as to vest full title to the securities being delivered in accordance with the procedures established by current practices and regulations.

ARTICLE 7. APPELS ET GESTION DES MARGES

7.1 A moins qu'il n'en soit disposé autrement lors de sa conclusion, chaque Pension donnera lieu, aux conditions définies dans l'Annexe I C, à la constitution ou, le cas échéant, à la rétrocession d'une Marge pour tenir compte de l'évolution de la Valeur des Titres mis en pension. Les Parties conviennent irrévocablement que toute Marge ainsi constituée s'applique à l'ensemble des Pensions, que celles-ci soient ou non des Pensions avec Marge.

7.2 L'Agent de Calcul aura à chaque Date de Valorisation la charge de déterminer l'Ecart de Valeur des Pensions avec Marge ainsi que la Marge devant être constituée ou rétrocédée et en informera les Parties dès que possible après

ARTICLE 7. MARGIN CALL AND MAINTENANCE PROVISIONS

7.1 Unless provided otherwise on the date when it is entered into, each Repurchase Transaction will result, in accordance with the provisions set out in Appendix I C, in Margin being deposited or, as the case may be, released to take into account any change in the Value of the Securities subject to Repurchase Transactions. The Parties irrevocably agree that any Margin so deposited shall apply to all outstanding Repurchase Transactions, be they Margin Transactions or not.

7.2 On each Valuation Date, the Calculation Agent will be responsible for establishing the Valuation Deficiency of each Margin Transaction and the Margin to be deposited or released and will inform the Parties as soon as

détermination. Les informations et calculs transmis seront définitifs et, en l'absence d'erreur manifeste, ne pourront pas être contestés. Chaque Partie s'oblige à procéder à toute constitution ou rétrocession de Marge lui incombant dans les délais spécifiés à l'Annexe I C.

7.3 Pour l'application des dispositions de l'article 7 et de l'Annexe I C, la constitution de la Marge (ou "*remise complémentaire*" au sens de la Loi) s'entend de la remise en pleine propriété de sommes d'argent libellées dans la Devise de Référence (sous forme de virement irrévocable) ou, si la Partie destinataire du transfert l'accepte, de Titres (sous forme de livraison Franco) en faveur de cette Partie. De même, la rétrocession de Marge s'entend, lorsqu'une Marge a été constituée chez une Partie, d'une remise en pleine propriété de sommes d'argent libellées dans la Devise de Référence (sous forme de virement irrévocable) ou, si la Marge a été constituée en Titres, du transfert en pleine propriété desdits Titres (sous forme de livraison Franco), au bénéfice de l'autre Partie. Si la rétrocession de Marge n'est que partielle, la Partie devant la rétrocéder aura toute latitude pour décider si cette rétrocession porte sur des sommes ou sur les Titres en question, dès lors que la valeur de la rétrocession est bien celle convenue. Une telle rétrocession diminuera d'autant la Valeur de la Marge maintenue.

possible after they have been established. Such information and calculations will be conclusive upon notification and, in the absence of any manifest error, will not be open to dispute. Each Party undertakes to proceed with any deposit or release of Margin required from it within the time limits set out in Appendix I C.

7.3 For the purposes of the provisions of Article 7 and Appendix I C, the deposit of Margin (the "*remise complémentaire*" referred to in the Act) is to be construed as the passing, in full title, of cash denominated in the Reference Currency (taking the form of an irrevocable transfer order) or, if the recipients so accepts, as the delivery of Securities to such party (by transfer of the securities without a corresponding cash payment). Conversely, when Margin has been deposited with one Party, its release is to be construed as the passing, in full title of cash denominated in the reference Currency (taking the form of an irrevocable transfer order) or, if the margin has been deposited in the form of Securities, by transfer of the securities without a corresponding cash payment. In the event of a partial release of Margin, the Party concerned shall have complete freedom in deciding whether this release of Margin shall be effected by way of cash or the Securities concerned so long as the value of the released Margin will be the agreed one. Any such release will reduce *pro tanto* the Value of any remaining Margin.

ARTICLE 8. RETARDS DE PAIEMENT OU DE LIVRAISON

8.1. RETARDS DE PAIEMENT OU DE LIVRAISON A LA DATE DE CESSION

8.1.1 En cas de paiement avec retard du Prix de Cession, la Pension considérée sera maintenue sans changement, y compris pour ce qui concerne les Prix de Cession et de Rétrocession, même si les Titres concernés

ARTICLE 8. LATE PAYMENT OR DELIVERY

8.1. LATE PAYMENT OR DELIVERY ON THE PURCHASE DATE

8.1.1 In the event of late payment of the Purchase Price, the Repurchase Transaction is to be maintained without change, and that also applies to its purchase and Repurchase Prices, even if the Securities have not been delivered

n'ont pas été livrés à bonne date par le cédant du fait du retard de paiement. Le cessionnaire s'oblige en toute hypothèse à verser, en plus du Prix de Cession, des Intérêts de Retard qui seront dus sans délai, de plein droit et sans mise en demeure préalable, et seront calculés sur le Prix de Cession de la Date de Cession (incluse) jusqu'à la date de son paiement effectif (exclue).

8.1.2 En cas de livraison avec retard des Titres mis en pension, la Pension considérée sera maintenue sans changement, y compris pour ce qui concerne les Prix de Cession et de Rétrocession, même si le Prix de Cession n'a pas été versé à bonne date par le cessionnaire du fait de la non livraison des Titres. Si toutefois le Prix de Cession a été versé au cédant, celui-ci s'oblige alors, en plus de la livraison des Titres, à verser des Intérêts de Retard qui seront dus sans délai, de plein droit et sans mise en demeure préalable, et seront calculés sur le Prix de Cession de la date de son versement (incluse) jusqu'à la date de livraison effective des Titres mis en pension (exclue).

8.2 RETARDS DE PAIEMENT OU DE LIVRAISON A LA DATE DE RETROCESSION

8.2.1 En cas de paiement avec retard du Prix de Rétrocession, le Prix de Rétrocession sera recalculé comme si la Pension considérée devait dès l'origine venir à échéance à la date de paiement effectif dudit prix, même si les Titres concernés n'ont pas été livrés à bonne date par le cessionnaire du fait du retard de paiement. Le cédant s'oblige en toute hypothèse à verser, en plus du Prix de Rétrocession ainsi recalculé, des Intérêts de Retard qui seront dus sans délai, de plein droit et sans mise en demeure préalable, et seront calculés sur le Prix de Rétrocession de la Date de Rétrocession telle que prévue initialement (incluse) jusqu'à la date de son paiement effectif (exclue).

on the due date by the seller as a result of the late payment. In any event, the buyer undertakes to pay, in addition to the Purchase Price, Late Interest which will become due immediately, *ipso jure* and without any prior notice, and will be calculated on the Purchase Price from (and including) the Purchase Date up to (and excluding) the date on which payment is actually made.

8.1.2 In the event of late delivery of the Securities subject to a Repurchase Transaction, such Repurchase Transaction is to be maintained without change, and that also applies to its Purchase and Repurchase Prices, even when the Purchase Price has not been paid on the due date by the buyer as a result of the late delivery of the securities. If however the Purchase Price was paid to the seller, the seller undertakes, in addition to delivering the Securities, to pay Late Interest which will become due immediately, *ipso jure* and without prior notice, and will be calculated on the Purchase Price from (and including) the date on which it is paid up to (and excluding) the date on which the relevant Securities are actually delivered.

8.2 LATE PAYMENT OR DELIVERY ON THE REPURCHASE DATE

8.2.1 In the event of late payment of the Repurchase Price, the Repurchase Price is to be recalculated as if the Repurchase Transaction had been due from the start to expire on the date on which the Repurchase Price is actually paid, even if the Securities have not been delivered on the due date by the buyer as a result of the late payment. In any event, the seller undertakes to pay, in addition to the recalculated Repurchase Price, Late Interest which will become due immediately, *ipso jure* and without any prior notice, and will be calculated on the Repurchase Price from (and including) the Purchase Date as initially stipulated up to (and excluding) the date on which payment of the Repurchase Price is actually made.

8.2.2 En cas de rétrocession avec retard des Titres mis en pension et dans l'hypothèse où le Prix de Rétrocession n'a pas été versé à bonne date du fait de la non rétrocession des Titres, le Prix de Rétrocession ne sera aucunement modifié, de sorte qu'à la date de rétrocession effective des Titres mis en pension, le cédant ne soit tenu qu'au versement du Prix de Rétrocession initialement convenu. En cas de rétrocession avec retard des Titres mis en pension et dans l'hypothèse où le Prix de Rétrocession a été versé au cessionnaire, celui-ci s'oblige alors, en plus de la rétrocession des Titres, à verser des Intérêts de Retard sur le Prix de Rétrocession, calculés à un taux d'intérêt égal à la somme du Taux de la Pension considérée et du Taux de Retard, qui seront dus sans délai, de plein droit et sans mise en demeure préalable de la date de son versement (incluse) jusqu'à la date de rétrocession effective des Titres mis en pension (exclue).

8.2.3 Les dispositions de l'article 7 s'appliquent à toute Pension jusqu'à la date de versement effectif du Prix de Rétrocession (dans le cas visé à l'article 8.2.1) ou jusqu'à la date de rétrocession effective des Titres mis en Pension (dans le cas visé à l'article 8.2.2).

8.3. REMBOURSEMENT DES AUTRES FRAIS ET PENALITES ; INCIDENCES SUR L'APPLICATION DES DISPOSITIONS DES ARTICLES 10 & 11

8.3.1 Sans préjudice des dispositions des articles 8.1 et 8.2, la Partie livrant ou payant avec retard à la Date de Cession ou de Rétrocession sera tenue de supporter tous frais, dommages et intérêts et pénalités dont l'autre Partie serait redevable du fait du retard en question, qui sont prévisibles à la date de conclusion de la Pension considérée et qu'elle serait en mesure de justifier.

8.3.2 Les dispositions du présent article ne sauraient restreindre d'une quelconque manière

8.2.2 In the event of late delivery by the buyer of the Securities subject to a Repurchase Transaction and when the Repurchase Price has not been paid on the due date as a result of the buyer's failure to return such Securities, the Repurchase Price is not to be modified in any way, so that on the date on which the relevant Securities are actually returned, the original seller will only be liable to pay the Repurchase Price initially agreed upon. In case of late delivery by the buyer of the Securities subject to a Repurchase Transaction and in the event the Repurchase Price has been paid to the buyer, the buyer undertakes, in addition to returning the Securities, to pay Late Interest calculated on the Repurchase Price, at a rate equal to the sum of the Repurchase Rate and the Late Interest Rate, which will become due immediately, *ipso jure* and without any prior notice, from (and including) its payment date up to (and excluding) the date on which the relevant Securities are actually returned.

8.2.3 The provisions of Article 7 will apply to any Repurchase Transaction until the date on which the Repurchase Price is actually paid (in the event referred to in Article 8.2.1) or the date on which the relevant Securities are actually returned (in the event referred to in Article 8.2.2).

8.3. REIMBURSEMENTS OF OTHER COSTS AND PENALTIES; EFFECT ON THE APPLICATION OF THE PROVISIONS OF ARTICLES 10 & 11

8.3.1 Without prejudice to the provisions of Articles 8.1 and 8.2, the Party failing to deliver or pay on the due Purchase or Repurchase Date will bear all evidenced costs, damages, interest and penalties for which the other Party might be liable as a result of the late payment or delivery, to the extent that they are foreseeable on the date on which the Repurchase Transaction was entered into.

8.3.2 The provisions of this Article will not restrict in any way the application of the

l'application des articles 10 & 11, et notamment de l'article 10.1.1.1.

provisions of Articles 10 & 11, and in particular Article 10.1.1.1.

ARTICLE 9 - DECLARATIONS

Chaque Partie déclare et atteste lors de la conclusion de la Convention :

9.1 Qu'elle est régulièrement constituée et qu'elle exerce ses activités conformément aux lois, décrets, règlements, et statuts (ou autres documents constitutifs) qui lui sont applicables ;

9.2 Qu'elle a tout pouvoir et capacité de conclure la Convention et toute Pension s'y rapportant et que celles-ci ont été valablement autorisées par ses organes de direction ou par tout autre organe compétent ;

9.3 Que la conclusion et l'exécution de la Convention et de toute Pension s'y rapportant ne contreviennent à aucune disposition des lois, décrets, règlements et statuts (ou autres documents constitutifs) qui lui sont applicables ;

9.4 Que tous les permis, licences et autorisations éventuellement nécessaires à la conclusion et à l'exécution de la Convention et de toute Pension s'y rapportant ont été obtenus et demeurent valables ;

9.5 Que la Convention et les Pensions conclues en vertu des présentes constituent un ensemble de droits et obligations ayant force obligatoire à son encontre en toutes leurs dispositions ;

9.6 Qu'aucun Cas de Défaillance n'existe en ce qui la concerne ;

9.7 Qu'elle dispose des connaissances et de l'expérience nécessaires pour évaluer les

ARTICLE 9 - REPRESENTATIONS

Each Party represents and warrants at the time of entering into this Agreement:-

9.1 that it has been properly incorporated and is conducting its business in accordance with the laws, decrees, regulations and articles of association (or other instruments of incorporation) that are applicable to it;

9.2 that it has full authority and capacity to enter into this Agreement and any Repurchase Transaction relating thereto, and that this Agreement and any such Repurchase Transaction have been duly and properly authorized by its management bodies or any other duly authorized body;

9.3 that the entry into and performance of this Agreement and each Repurchase Transaction relating thereto do not contravene any provision of the laws, decrees, regulations and articles of association (or instruments of incorporation) that apply to it;

9.4 that all permits, licenses and authorizations which may be necessary for entering into and carrying out this Agreement and any Repurchase Transaction relating thereto have been obtained and remain in effect;

9.5 that this Agreement and each Repurchase Transaction entered into pursuant hereto constitute a corpus of rights and obligations that are binding on the Party in all their respective terms and conditions;

9.6 that there is no Event of Default in respect of the Party;

9.7 that it has the necessary knowledge and experience to assess the benefits arising from

avantages et les risques encourus au titre de chaque Pension et ne s'en est pas remise pour cela à l'autre Partie ; et

9.8 Qu'il n'existe pas à son encontre d'action ou de procédure arbitrale ou judiciaire, ou de mesure administrative ou autre dont il pourrait résulter une détérioration manifeste et substantielle de son activité, de son patrimoine ou de sa situation financière ou qui pourrait affecter la validité ou la bonne exécution de la Convention ou de toute Pension.

ARTICLE 10. RESILIATION DES OPERATIONS DE PENSION

10.1. RESILIATION EN CAS DE DEFAILLANCE

10.1.1 Constitue un Cas de Défaillance pour l'une des Parties (la "Partie Défaillante") l'un des événements suivants :

10.1.1.1 l'inexécution d'une quelconque disposition de la Convention ou d'une Pension (relative à un paiement, une livraison ou autre), à laquelle il n'aurait pas été remédié soit dès notification de l'inexécution par l'autre Partie (la "Partie Non Défaillante") lorsque cette inexécution porte sur une constitution ou rétrocession de Marge, soit dans un délai de trois Jours Ouvrés à compter de ladite notification, dans les autres cas ;

10.1.1.2 une quelconque déclaration de l'article 9 se révèle avoir été inexacte au moment où elle a été faite par cette Partie, ou cesse d'être exacte, sur un point important ;

10.1.1.3 la déclaration par cette Partie à l'autre Partie de l'impossibilité ou du refus de régler tout ou partie de ses dettes ou d'exécuter ses obligations, l'octroi administratif ou judiciaire d'un moratoire, une procédure de règlement amiable de créanciers, la nomination d'un administrateur à la demande des tribunaux, l'interdiction d'une autorité réglementaire

and risks incurred in connection with each Repurchase Transaction and has not relied on the other Party for such purpose; and

9.8 that no arbitration or judicial actions or proceedings have been initiated or administrative or other measures taken against it that could result in a clear and material deterioration in such Party's business, net worth or financial condition or which could affect the validity or the proper implementation of this Agreement or of any Repurchase Transaction.

ARTICLE 10. TERMINATION OF REPURCHASE TRANSACTIONS

10.1. TERMINATION IN EVENTS OF DEFAULT

10.1.1 Any one of the following events will constitute an Event of Default in respect of one of the Parties (the "Defaulting Party"):

10.1.1.1 failure to comply with any provisions whatsoever of this Agreement or a Repurchase Transaction (relating to a payment, a delivery or otherwise), which failure has not been remedied, either upon notice of non-performance served by the other Party (the "Non-Defaulting Party") when such failure relates to the deposit or release of Margin, or within three Business Days following the serving of such notice in all other cases;

10.1.1.2 any representation made under Article 9 proves to have been incorrect when made by such Party, or ceases to be correct, in any material respect;

10.1.1.3 a declaration from such Party to the other Party of its inability or unwillingness to pay all or any part of its debt or meet its obligations, the granting of a moratorium by the administrative or judicial authorities, a voluntary general arrangement with assignment to creditors, the appointment of an administrator at the request of the courts, a ban

d'émettre sur un marché, ainsi que toute procédure équivalente ;

10.1.1.4 la cessation de fait d'activité, l'ouverture d'une procédure de liquidation amiable ou de toute autre procédure équivalente ;

10.1.1.5 l'ouverture d'une procédure de redressement ou liquidation judiciaires ou de toute autre procédure équivalente, affectant le siège ou l'une quelconque des succursales de cette Partie ;

10.1.1.6 l'inexécution d'une quelconque obligation de paiement à l'égard de la Partie Non Défaillante ou de tout tiers, autre que celles résultant de la Convention ou d'une Pension, sauf en cas d'erreur manifeste et à moins que le paiement de ce montant ne soit l'objet d'une contestation sérieuse au fond ; ou

10.1.1.7 tout événement susceptible d'entraîner la nullité, l'inopposabilité, la disparition d'une quelconque sûreté ou garantie consentie par acte séparé en faveur de la Partie Non Défaillante au titre d'une ou plusieurs Pensions, ainsi que tout événement visé aux articles 10.1.1.3 à 10.1.1.6 affectant un tiers ayant délivré sa garantie personnelle au titre de la Convention ou d'une Pension.

10.1.2 La survenance d'un Cas de Défaillance donne à la Partie Non Défaillante le droit, sur simple notification adressée à la Partie Défaillante, de suspendre l'exécution de ses obligations de paiement et de livraison et de résilier l'ensemble des Pensions en cours entre les Parties, quel que soit le lieu de leur conclusion ou d'exécution. Cette notification précisera le Cas de Défaillance invoqué ainsi que la Date de Résiliation retenue.

10.2. RESILIATION EN CAS DE

imposed by any regulatory authority on the raising of capital on a market, or any equivalent procedure;

10.1.1.4 the *de facto* cessation of activities, the commencement of voluntary winding-up proceedings or any other equivalent proceedings;

10.1.1.5 the commencement of court-ordered reorganization or winding-up proceedings or any equivalent proceedings concerning the head-office or any branch of such Party;

10.1.1.6 failure to meet any payment obligation when due with respect to the Non-Defaulting Party or any third party, other than such obligations arising out of this Agreement or a Repurchase Transaction, save in the event of any manifest error and unless the payment of such sum is subject to a serious substantive dispute; or

10.1.1.7 any event likely to result in any collateral or security granted separately in favor of the Non-Defaulting Party in respect of one or more Repurchase Transactions becoming void, unenforceable or ceasing to exist, or any of the events mentioned in Articles 10.1.1.3 to 10.1.1.6 affecting a third party that has issued a personal guarantee in respect of this Agreement or a Repurchase Transaction.

10.1.2 Upon the occurrence of an Event of Default, the Non-Defaulting Party will be entitled, simply by serving notice on the Defaulting Party, to suspend performance of its payment and delivery obligations and to terminate all Repurchase Transactions outstanding between the Parties, irrespective of the place they were entered into or their place of performance. Such notice will specify the Event of Default being cited and the applicable Termination Date.

10.2. TERMINATION BY REASON OF A

CIRCONSTANCE NOUVELLE

10.2.1 Constitue une Circonstance Nouvelle pour une Partie (la "Partie Affectée"), l'un des événements suivants :

10.2.1.1 l'entrée en vigueur d'une nouvelle loi ou d'une nouvelle réglementation, la modification d'une loi ou d'un quelconque texte à caractère obligatoire ou la modification de l'interprétation judiciaire ou administrative qui en est faite, dont il résulte qu'une Pension est illicite pour la Partie concernée ou qu'il doit être procédé à une déduction ou retenue nouvelle de nature fiscale sur un montant qu'elle doit recevoir de l'autre Partie au titre de ladite Pension ; ou

10.2.1.2 toute fusion ou scission affectant la Partie concernée ou toute cession d'actif effectuée par celle-ci se traduisant par une détérioration manifeste et substantielle de son activité, de son patrimoine ou de sa situation financière.

10.2.2 Lors de la survenance d'une Circonstance Nouvelle visée à l'article 10.2.1.1, toute Partie en prenant connaissance la notifiera dans les meilleurs délais à l'autre Partie ainsi que les Pensions concernées par cette Circonstance Nouvelle. Les Parties suspendront alors l'exécution de leurs obligations de paiement et de livraison pour les seules Pensions affectées et rechercheront de bonne foi pendant un délai de 30 jours une solution mutuellement satisfaisante visant à rendre licite ces Pensions ou éviter la déduction ou retenue. Si à l'issue de cette période aucune solution mutuellement satisfaisante ne peut être trouvée, chacune des Parties (en cas d'illégalité) ou la Partie recevant un montant inférieur à celui prévu (en cas de déduction ou retenue sur un montant versé par l'autre Partie) pourra notifier à l'autre la résiliation des seules Pensions affectées par la Circonstance Nouvelle. Cette notification précisera la Date de Résiliation retenue.

CHANGE IN CIRCUMSTANCES

10.2.1 Any one of the following events will constitute a Change in Circumstances for a Party (the "Affected Party") :

10.2.1.1 the entry into force of a new law or new regulation, the amendment of any law or any other legislation of mandatory effect or any change in the judicial or administrative interpretation of any such legislation which results in a Repurchase Transaction becoming unlawful for such Party, or which results in any new deduction or withholding of tax on a sum receivable from the other Party under such Repurchase Transaction; or

10.2.1.2 any merger or de-merger affecting such Party or any transfer of assets effected by it which results in a material deterioration in its business, net worth or financial condition.

10.2.2 On the occurrence of any Change in Circumstances as referred to in Article 10.2.1.1, any Party which obtains knowledge thereof will notify the other Party as soon as possible, identifying the Repurchase Transactions affected by such Change in Circumstances. The Parties shall then suspend performance of their payment and delivery obligations under the affected Repurchase Transactions only, and will attempt in good faith for a period of 30 days to find a mutually satisfactory solution for making such Repurchase Transactions lawful or avoiding such deduction or withholding. If at the end of such period no mutually acceptable solution can be found, each of the Parties (in the event of any unlawfulness) or the Party receiving an amount less than that provided for (in the event of deduction from or withholding on a sum paid by the other Party) will have the right to serve notice on the other Party of the termination of only those Repurchase Transactions affected by the Change in

10.2.3 Lors de la survenance d'une Circonstance Nouvelle visée à l'article 10.2.1.2, toutes les Pensions seront considérées affectées. L'autre Partie (la "Partie Non Affectée") aura alors le droit, sur simple notification adressée à la Partie Affectée, de suspendre l'exécution de ses obligations de paiement et de livraison et de résilier l'ensemble des Pensions en cours entre les Parties, quel que soit le lieu de leur conclusion ou d'exécution. Cette notification précisera la Date de Résiliation retenue.

10.2.4 Si une Circonstance Nouvelle entraîne directement la survenance d'un Cas de Défaillance, ce Cas de Défaillance sera réputé ne pas avoir eu lieu et seules les dispositions de l'article 10.2 seront alors applicables.

10.3. EFFETS DE LA RESILIATION

Les Parties sont déliées, à compter de la Date de Résiliation, de toute obligation de paiement ou livraison pour les Pensions résiliées. La résiliation donne toutefois droit, pour ces Pensions, au paiement du Solde de Résiliation et, lorsqu'elle résulte de la survenance d'un Cas de Défaillance, au remboursement des frais prévus à l'article 12.5.

ARTICLE 11. CALCUL ET PAIEMENT DU SOLDE DE RESILIATION

11.1. CALCUL DU SOLDE DE RESILIATION

11.1.1 A la Date de Résiliation, la Partie Non Défaillante ou la Partie non Affectée (ci-après la "Partie en charge des calculs") aura seule la responsabilité de déterminer le Solde

Circumstances. Such notice will specify the applicable Termination Date.

10.2.3 In the event of the occurrence of any Change in Circumstances referred to in Article 10.2.1.2, all Repurchase Transactions will be deemed to be affected. The other Party (the "Unaffected Party") shall then be entitled, simply by serving notice on the Affected Party, to suspend performance of its payment and delivery obligations and to terminate all the outstanding Repurchase Transactions between the Parties irrespective of the place they were entered into or their place of performance. Such notice will specify the applicable Termination Date.

10.2.4 If a Change of Circumstances results directly in the occurrence of an Event of Default, such Event of Default will be deemed not to have occurred and only the provisions of Article 10.2 shall then apply.

10.3. EFFECT OF TERMINATION

With effect from the Termination Date, the Parties will no longer be bound by any payment or delivery obligations in respect of the terminated Repurchase Transactions. Termination does however entitle the relevant party in respect of such Repurchase Transactions to payment of the Close-out Balance and, when it results from the occurrence of an event of Default, to reimbursement of the expenses referred to in Article 12.5.

ARTICLE 11. CALCULATION AND PAYMENT OF THE CLOSE-OUT BALANCE

11.1. CALCULATION OF THE CLOSE-OUT BALANCE

11.1.1 On the Termination Date, the Non-Defaulting Party or the Unaffected Party (hereafter the "Calculation Party") shall have sole responsibility for establishing the Close-

de Résiliation.

11.1.2 A cet effet, la Partie en charge des calculs déterminera, pour chaque Pension résiliée, son Ecart de Valeur à la Date de Résiliation ainsi que, s'ils existent, les Montants Dus par chaque Partie au titre de ladite Pension. Cette détermination interviendra que la Pension en question soit avec Marge ou non.

11.1.3 La somme des Ecart de Valeur positifs pour la Partie en charge des calculs et des Montants Dus par l'autre Partie, diminuée du total des Ecart de Valeur négatifs pour la Partie en charge des calculs et des Montants Dus par elle déterminera le risque brut de la Partie en charge des calculs (ci-après "le Risque Brut"). Tout Ecart de Valeur ou Montant Dû exprimé dans une Devise autre que la Devise de Référence sera converti dans cette Devise à la Date de Résiliation sur la base des cours de change au comptant disponibles pour la Partie en charge des calculs à 12h00 à cette date.

11.1.4 La Partie en charge des calculs comparera alors son Risque Brut à la Valeur de la Marge à la Date de Résiliation (si une Marge a été constituée) et déterminera de la façon suivante le Solde de Résiliation :

- a) Si aucune Marge n'a été constituée, le Solde de Résiliation sera égal au Risque Brut de la Partie en charge des calculs. Il sera dû par la Partie Défaillante ou Affectée s'il est positif et par la Partie en charge des calculs s'il est négatif ;
- b) Si une Marge a été constituée chez la Partie en charge des calculs et si cette Partie a un Risque Brut positif, le Solde de Résiliation sera égal à la différence entre le Risque Brut et la Valeur de la Marge. Il sera dû par la Partie Défaillante ou Affectée s'il est positif et par la Partie

out Balance.

11.1.2 To this end, the Calculation Party will establish the Valuation Deficiency of each terminated Repurchase Transaction on the Termination Date together with the Amounts Due, if any, from each Party with respect to such Repurchase Transaction. Such calculation will take place whether or not the relevant Repurchase Transaction is a Margin Transaction.

11.1.3 The aggregate of all positive Valuation Deficiencies for the Calculation Party and all Amounts Due from the other Party, less the aggregate of all negative Valuation Deficiencies for the Calculation Party and all Amounts Due from it shall constitute the overall exposure of the Calculation Party (hereafter the "Overall Exposure"). Any Valuation Deficiency or Amount Due denominated in a Currency other than the Reference Currency will be converted into the latter Currency on the Termination Date on the basis of the foreign exchange spot rates available to the Calculation Party at noon on that date.

11.1.4 The Calculation Party shall then compare its Overall Exposure with the Value of the Margin (if Margin has been deposited) on the Termination Date and establish the Close-out Balance in the following manner:

- a) If no Margin has been deposited, the Close-out Balance will be equal to the Calculation Party's Overall Exposure and will be due from the Defaulting or Affected Party if it is positive and from the Calculation Party if it is negative.
- b) If Margin has been deposited with the Calculation Party and if such Party shows a positive Overall Exposure, the Close-out Balance will be equal to the difference between the Overall Exposure and the Value of the Margin and be due from the Defaulting or Affected Party if it

en charge des calculs s'il est négatif. Si par contre la Partie en charge des calculs a un Risque Brut négatif, le Solde de Résiliation sera égal au total de la valeur absolue du Risque Brut et de la Valeur de la Marge et sera dû par la Partie en charge des calculs ;

- c) Si une Marge a été constituée chez la Partie Défaillante ou la Partie Affectée et si la Partie en charge des calculs a un Risque Brut négatif, le Solde de Résiliation sera égal à la différence entre la valeur absolue du Risque Brut et la Valeur de la Marge. Il sera dû par la Partie en charge des calculs s'il est positif et par la Partie Défaillante ou Affectée s'il est négatif. Si par contre la Partie en charge des calculs a un Risque Brut positif, le Solde de Résiliation sera égal au total du Risque Brut et de la Valeur de la Marge et sera dû par la Partie Défaillante ou Affectée.

Une présentation sous forme de tableau du calcul du Solde de Résiliation figure à l'Annexe II, qui fait partie intégrante de la Convention.

11.1.5 Lors de la survenance d'une Circonstance Nouvelle visée à l'article 10.2.1.1 et dans l'hypothèse où seules certaines des Pensions en cours seraient affectées, la Marge sera alors déterminée par référence aux seules Pensions avec Marge affectées, s'il y en a.

11.2. NOTIFICATION ET VERSEMENT DU SOLDE DE RESILIATION

11.2.1 La Partie en charge des calculs notifiera à l'autre dans les meilleurs délais le montant du Solde de Résiliation ainsi que le détail des calculs ayant permis de le déterminer. Ces calculs seront définitifs dès leur notification et, en l'absence d'erreur

is positive and from the Calculation Party if it is negative. If, however, the Calculation Party shows a negative Overall Exposure, the Close-out Balance will be equal to the sum of the absolute value of the Overall Exposure and the Value of the Margin and will be due from the Calculation Party.

- c) If Margin has been deposited with the Defaulting or Affected Party and if the Calculation Party shows a negative Overall Exposure, the Close-out Balance will be equal to the difference between the absolute value of the Overall Exposure and the Value of the Margin and be due from the Calculation Party if it is positive and from the Defaulting or Affected Party if it is negative. If, however, the Calculation Party shows a positive Overall Exposure, the Close-out Balance will be equal to the sum of the Overall Exposure and the Value of the Margin and be due from the Defaulting or Affected Party.

A summary calculation table of the Close-out Balance is shown in Appendix II, which forms an integral part of this Agreement.

11.1.5 If following the occurrence of any Change in Circumstances referred to in Article 10.2.1.1, only some (but not all) Repurchase Transactions outstanding are affected, the Margin will in that case be established by reference to those Margin Transactions that are affected, if any.

11.2. NOTIFICATION AND PAYMENT OF CLOSE-OUT BALANCE

11.2.1 The Calculation Party will notify the other Party as soon as possible of the Close-out Balance and of the details of the calculations on which it was based. These calculations will become final as soon as the other Party is notified of them and, in the

manifeste, ne pourront pas être contestés.

11.2.2 La Partie redevable du Solde de Résiliation procédera au versement correspondant à l'autre Partie dans les trois Jours Ouvrés à compter de la réception de la notification visée à l'article 11.2.1. Toutefois, dans l'hypothèse où un tel versement serait, suite à la survenance d'un Cas de Défaillance, dû par la Partie Non Défaillante à la Partie Défaillante, la Partie Non Défaillante est irrévocablement autorisée à le compenser avec tout montant qui lui serait dû par la Partie Défaillante à quelque titre que ce soit.

11.2.3 En cas de retard de versement du Solde de Résiliation, le montant concerné sera majoré des Intérêts de Retard afférents, qui seront dus de plein droit et sans mise en demeure préalable et seront calculés de la Date de Résiliation (incluse) jusqu'à la date du paiement effectif du Solde de Résiliation (exclue).

ARTICLE 12. DIVERS

12.1. NOTIFICATIONS

Toute notification effectuée en vertu de la Convention devra être faite par lettre, télex, télécopie ou toute transmission télématique présentant un degré suffisant de fiabilité pour les Parties et prendra effet à la date de sa réception. Les notifications seront faites selon les indications fournies à l'Annexe I B.

12.2 PAIEMENT DANS UNE MONNAIE AUTRE QUE CELLE PREVUE

Dans le cas où pour une raison quelconque, un paiement est effectué dans une monnaie autre que la Devise prévue pour une Pension et s'il y a une différence entre ce montant converti dans cette Devise et le montant en cette Devise que prévoyait ladite Pension, la Partie débitrice devra, à titre d'obligation indépendante,

absence of manifest error, shall not be open to dispute.

11.2.2 The Party owing the Close-out Balance will pay it to the other Party within three Business Days from receipt of the notice referred to in Article 11.2.1. However, in the event that such payment is owed by the Non-defaulting Party to the Defaulting Party following the occurrence of an Event of Default, the Non-Defaulting Party will be irrevocably authorized to set off such amount against any other amount due to it by the Defaulting Party for any reason whatsoever.

11.2.3 In the event of late payment of the Close-out Balance, the sum in question will be increased by the relevant Late Interest which shall become due, *ipso jure* and without prior notice, and will be calculated on the Close-out Balance from (and including) the Termination Date up to (and excluding) the date on which the Close-out Balance is actually paid.

ARTICLE 12. MISCELLANEOUS

12.1. NOTICES

Any notice given pursuant to this Agreement will be made by letter, telex, telefax or any system of electronic transmission considered by the Parties to be sufficiently reliable, and will have effect as of the date of receipt. Notices will be sent in accordance with the provisions of Appendix I B.

12.2 PAYMENT IN A CURRENCY OTHER THAN THE AGREED CURRENCY

If for any reason a payment is made in a Currency other than the Agreed Currency for a Repurchase Transaction and there is a difference between this amount converted into that Currency and the amount in the Currency provided for by the Repurchase Transaction, the Party owing this amount will, as an

indemniser à première demande et sans pouvoir soulever d'exception, l'autre Partie de tous frais et pertes qui en résulteraient.

12.3. NON RENONCIATION

Le non exercice ou l'exercice tardif par une Partie de tout droit pouvoir ou privilège découlant de la Convention ne constitue pas une renonciation au droit, pouvoir ou privilège en cause.

12.4. CESSIION A UN TIERS

La Convention, toute Pension ou l'un quelconque des droits ou obligations en découlant pour une Partie ne pourront être transférés ou cédés sans l'accord préalable de l'autre Partie.

12.5. FRAIS ET DEBOURS

La résiliation des Pensions ouvre droit, pour la seule Partie Non Défaillante, au remboursement des frais et débours engagés, y compris de procédure judiciaire, le cas échéant, qu'elle aurait subis du fait de la survenance d'un Cas de Défaillance et qu'elle serait en mesure de justifier.

ARTICLE 13. DUREE DE LA CONVENTION

13.1 La Convention est conclue pour une durée indéterminée. Elle pourra être dénoncée à tout moment, par lettre recommandée avec accusé de réception; ladite dénonciation prenant effet à l'expiration d'un délai de cinq Jours Ouvrés suivant sa réception.

13.2 La Convention continuera toutefois à régir les rapports entre les Parties pour toutes les Pensions conclues avant la prise d'effet de ladite dénonciation

independent obligation, indemnify the other Party on demand against all costs and losses resulting therefrom, without being entitled to raise any objection thereto.

12.3. NO WAIVERS

The failure to exercise or late exercise by a Party of any rights, power or privilege deriving from this Agreement shall not constitute a waiver of the particular right, power or privilege.

12.4. ASSIGNMENT TO A THIRD PARTY

This Agreement, any Repurchase Transaction and any one of the rights and obligations deriving therefrom may not be transferred or assigned by either Party without the prior consent of the other Party.

12.5. COSTS AND EXPENSES

The Non-Defaulting Party alone shall have the right, upon termination of the Repurchase Transactions, to reimbursement of any evidenced costs and expenses, including legal costs, if any, that it may have incurred as a result of the occurrence of an Event of Default.

ARTICLE 13. TERM OF THE AGREEMENT

13.1 This Agreement is entered into for an indefinite period. It may be terminated at any time, by registered letter with acknowledgement of receipt; such termination will take effect five Business Days after receipt of such registered letter.

13.2 However, this Agreement will continue to govern relations between the Parties in respect of all Repurchase Transactions entered into prior to termination becoming effective.

ARTICLE 14. RENONCIATION AUX IMMUNITES

La Convention est de nature commerciale. Les Parties renoncent irrévocablement à toute immunité de Jurisdiction ou d'exécution dont elles pourraient bénéficier tant pour elles-mêmes que sur leurs biens présents ou futurs.

ARTICLE 15. LOI APPLICABLE, ATTRIBUTION DE COMPETENCE

15.1 La Convention est soumise au droit français. En cas de traduction seule la version signée fera foi.

15.2 Tout litige, relatif notamment à sa validité, son interprétation ou son exécution, sera soumis à la compétence des juridictions du ressort de la Cour d'Appel de Paris.

ARTICLE 14. WAIVER OF IMMUNITY

This Agreement is of a commercial nature. The Parties hereby irrevocably waive any immunity from suit or execution that they might enjoy in respect of themselves or their present or future assets.

ARTICLE 15. GOVERNING LAW - JURISDICTION

15.1 This Agreement is governed by French law. In the event of translation, only the signed version will be authentic.

15.2 Any dispute, particularly in respect of its validity, interpretation or performance will be subject to the jurisdiction of the courts within the district of the Paris Court of Appeal.

Par : Mme. / M.
Titre :

By: Ms. / Mr.
Title:

ANNEXE I**PARAMÈTRES ET DISPOSITIONS TECHNIQUES
APPLICABLES A LA CONVENTION****ANNEXE I A****PARAMETRES FINANCIERS**

Agent de Calcul (*cf. définition et art. 7*) :
Partie A sera l'Agent de Calcul, étant précisé
que lorsque Partie A n'aura pas d'Ecart de
Valeur, Partie A effectuera les calculs et les
notifications prévues à l'article 7 de la
Convention sur demande de Partie B ou

**Place financière pour la détermination des
Jours Ouvrés** (*cf. définition Jour Ouvré*) :
sauf stipulation contraire dans une
Confirmation, Paris et Londres.

Date de Valorisation (*cf. définition et art. 7*) :
chaque Jour Ouvré.

Devise de Référence (*cf. définition, art. 7 &
11*) : L'euro.

Taux de Référence (*cf. définition Valeur de la
Marge*) : L'EONIA. (*Euro Overnight Index
Average*), c'est à dire le taux moyen pondéré de
toutes les transactions au jour le jour exécutées
sur le marché interbancaire de la zone euro tel
qu'établi par la Banque centrale européenne et
publié sur la page 247 de l'écran Telerate ou
sur toute autre page la remplaçant.

Taux de Retard (*cf. définition Intérêts de
Retard*) : à titre d'indication (i) pour l'euro, le
taux le plus élevé consenti par la BANQUE
CENTRALE EUROPEENNE pour l'alimentation en
liquidités du destinataire du paiement fait avec
retard ; et (ii) pour les autres Devises, la
moyenne des taux au jour le jour auxquels a
accès le destinataire du paiement fait avec
retard pendant la période considérée.

**Seuil de déclenchement des ajustements de
Marge** (*cf. Annexe I C*) :

**Seuil de déclenchement des ajustements de
Marge** (*cf. Annexe I C*) :

APPENDIX I**PARAMETERS AND TECHNICAL PROVISIONS
APPLICABLE TO THE AGREEMENT****APPENDIX I A****FINANCIAL PARAMETERS**

Calculation Agent (*see definition & Art. 7*):
Party A will be the Calculation Agent,
provided that if Party A has no Valuation
Deficiency, Party A shall make the
calculations and notifications referred to in
Article 7 of the Agreement upon request from
Party B or

**Financial Center for the determination of
Business Days** (*see Business Day definition*):
Subject to the terms of any Confirmation, Paris
and London.

Valuation Date (*see definition and Art. 7*) :
Each Business Day.

Reference Currency (*see definition, Art. 7 &
11*): euro.

Reference Rate (*see Value of the Margin
definition*): EONIA (*Euro Overnight Index
Average*) i.e., the average weighted rate of all
day-to-day transactions on the interbank
market of the euro zone as determined by the
European Central Bank and as appearing on
the Telerate Page 247 or on any other page
replacing it.

Late Interest Rate (*see Late Interest
definition*): for information purposes (i) for
euro, the highest rate offered by the EUROPEAN
CENTRAL BANK for the financing of the
beneficiary of the late payment; and (ii) for any
other Currencies, the average of the overnight
rates that would be offered to the beneficiary
of the late payment during the relevant period.

Margin Adjustment Trigger Point (*see
Appendix I C*):

Margin Adjustment Trigger Point (*see
Appendix I C*):

ANNEXE I B

PARAMETRES ADMINISTRATIFS

PARTIE A

Les notifications seront adressées à

8

APPENDIX I B

ADMINISTRATIVE PARAMETERS

PARTY A

Notices will be sent as follows

<p> 1 </p> <p> 2 </p> <p> 3 </p> <p> 4 </p> <p> 5 </p> <p> 6 </p> <p> 7 </p> <p> 8 </p> <p> 9 </p> <p> 10 </p> <p> 11 </p> <p> 12 </p> <p> 13 </p> <p> 14 </p> <p> 15 </p> <p> 16 </p> <p> 17 </p> <p> 18 </p> <p> 19 </p> <p> 20 </p> <p> 21 </p> <p> 22 </p> <p> 23 </p> <p> 24 </p> <p> 25 </p> <p> 26 </p> <p> 27 </p> <p> 28 </p> <p> 29 </p> <p> 30 </p> <p> 31 </p> <p> 32 </p> <p> 33 </p> <p> 34 </p> <p> 35 </p> <p> 36 </p> <p> 37 </p> <p> 38 </p> <p> 39 </p> <p> 40 </p> <p> 41 </p> <p> 42 </p> <p> 43 </p> <p> 44 </p> <p> 45 </p> <p> 46 </p> <p> 47 </p> <p> 48 </p> <p> 49 </p> <p> 50 </p> <p> 51 </p> <p> 52 </p> <p> 53 </p> <p> 54 </p> <p> 55 </p> <p> 56 </p> <p> 57 </p> <p> 58 </p> <p> 59 </p> <p> 60 </p> <p> 61 </p> <p> 62 </p> <p> 63 </p> <p> 64 </p> <p> 65 </p> <p> 66 </p> <p> 67 </p> <p> 68 </p> <p> 69 </p> <p> 70 </p> <p> 71 </p> <p> 72 </p> <p> 73 </p> <p> 74 </p> <p> 75 </p> <p> 76 </p> <p> 77 </p> <p> 78 </p> <p> 79 </p> <p> 80 </p> <p> 81 </p> <p> 82 </p> <p> 83 </p> <p> 84 </p> <p> 85 </p> <p> 86 </p> <p> 87 </p> <p> 88 </p> <p> 89 </p> <p> 90 </p> <p> 91 </p> <p> 92 </p> <p> 93 </p> <p> 94 </p> <p> 95 </p> <p> 96 </p> <p> 97 </p> <p> 98 </p> <p> 99 </p> <p> 100 </p>	<p> 101 </p> <p> 102 </p> <p> 103 </p> <p> 104 </p> <p> 105 </p> <p> 106 </p> <p> 107 </p> <p> 108 </p> <p> 109 </p> <p> 110 </p> <p> 111 </p> <p> 112 </p> <p> 113 </p> <p> 114 </p> <p> 115 </p> <p> 116 </p> <p> 117 </p> <p> 118 </p> <p> 119 </p> <p> 120 </p> <p> 121 </p> <p> 122 </p> <p> 123 </p> <p> 124 </p> <p> 125 </p> <p> 126 </p> <p> 127 </p> <p> 128 </p> <p> 129 </p> <p> 130 </p> <p> 131 </p> <p> 132 </p> <p> 133 </p> <p> 134 </p> <p> 135 </p> <p> 136 </p> <p> 137 </p> <p> 138 </p> <p> 139 </p> <p> 140 </p> <p> 141 </p> <p> 142 </p> <p> 143 </p> <p> 144 </p> <p> 145 </p> <p> 146 </p> <p> 147 </p> <p> 148 </p> <p> 149 </p> <p> 150 </p> <p> 151 </p> <p> 152 </p> <p> 153 </p> <p> 154 </p> <p> 155 </p> <p> 156 </p> <p> 157 </p> <p> 158 </p> <p> 159 </p> <p> 160 </p> <p> 161 </p> <p> 162 </p> <p> 163 </p> <p> 164 </p> <p> 165 </p> <p> 166 </p> <p> 167 </p> <p> 168 </p> <p> 169 </p> <p> 170 </p> <p> 171 </p> <p> 172 </p> <p> 173 </p> <p> 174 </p> <p> 175 </p> <p> 176 </p> <p> 177 </p> <p> 178 </p> <p> 179 </p> <p> 180 </p> <p> 181 </p> <p> 182 </p> <p> 183 </p> <p> 184 </p> <p> 185 </p> <p> 186 </p> <p> 187 </p> <p> 188 </p> <p> 189 </p> <p> 190 </p> <p> 191 </p> <p> 192 </p> <p> 193 </p> <p> 194 </p> <p> 195 </p> <p> 196 </p> <p> 197 </p> <p> 198 </p> <p> 199 </p> <p> 200 </p>
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Personnes habilitées à conclure des Pensions

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Persons authorised to enter into Repurchase Transactions

PARTIE B

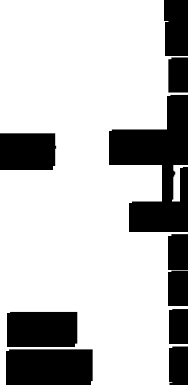
**Les notifications seront adressées
selon le dépositaire à**

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
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Category 16	Value 16
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Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

OU

PARTY B

**Notices will be sent as follows,
Depending on which bank is "dépositaire"**



OR

**Personnes habilitées à conclure
des Pensions**

[REDACTED]

**Persons authorised to enter into Repurchase
Transactions**

[REDACTED]

[REDACTED]

ANNEXE I C
DISPOSITIONS RELATIVES A
LA GESTION DES MARGES

C.1 DETERMINATION DE L'ECART DE VALEUR D'UNE PENSION AVEC MARGE ET DU SOLDE NET DE CHAQUE PARTIE

C.1.1. A chaque Date de Valorisation, l'Agent de Calcul déterminera, pour chaque Pension avec Marge en cours à cette date, la différence, positive ou négative, entre :

- (a) la Valeur des Titres mis en pension, ajustée de la Marge Initiale de Sécurité (si elle existe) ; et
- (b) le Prix de Cession desdits Titres majoré des intérêts courus afférents, calculés au Taux de la Pension depuis la Date de Cession (inclue) jusqu'à la Date de Valorisation considérée (exclue).

C.1.2. Une fois cette différence déterminée, l'Agent de Calcul calculera pour chaque Partie l'Ecart de Valeur de chaque Pension avec Marge en cours, lequel sera égal:

- pour toute Pension pour laquelle la Partie concernée est cédant, à la différence entre les deux montants visés ci-dessus, et de même signe que celle-ci ;
- pour toute Pension pour laquelle la Partie concernée est cessionnaire, à la différence entre les deux montants visés ci-dessus, mais de signe opposé.

APPENDIX I C
MARGIN MAINTENANCE PROVISIONS

C.1 ESTABLISHMENT OF THE VALUATION DEFICIENCY OF A MARGIN TRANSACTION AND OF THE NET DEFICIENCY OF EACH PARTY

C.1.1. On each Valuation Date, the Calculation Agent will establish in respect of each Margin Transaction outstanding on such date, the difference, whether positive or negative, between :

- (a) the Value of the Securities subject to the relevant Repurchase Transaction, as adjusted by the Haircut, if any; and
- (b) the Purchase Price of such Securities, together with accrued interest, calculated at the Repurchase Rate from, and including, the Purchase Date up to, and excluding, the relevant Valuation Date.

C.1.2. Once this difference has been ascertained, the Calculation Agent will, in respect of each outstanding Margin Transaction, establish the Valuation Deficiency for each Party, which will be equal to:

- for each Repurchase Transaction in which the Party concerned is the seller: the difference between the two above-mentioned amounts, and will have the same sign;
- for each Repurchase Transaction in which the Party concerned is the buyer: the difference between the two above-mentioned amounts, and will have the opposite sign.

C.1.3. Une fois l'Ecart de Valeur de chaque Pension avec Marge déterminé, l'Agent de Calcul déterminera le solde net des Ecart de Valeur de chaque Partie (ci-après le "Solde Net"), lequel sera égal à la somme algébrique des Ecart de Valeur de cette Partie pour chacune des Pensions avec Marge en cours. A cet effet, tout Ecart de Valeur exprimé dans une Devise autre que la Devise de Référence sera converti dans cette Devise à la Date de Valorisation sur la base des cours de change au comptant disponibles pour l'Agent de Calcul à 12h00 à cette date.

C.2 CONSTITUTION OU RETROCESSION DE MARGE EN FONCTION DU SOLDE NET

C.2.1. A chaque Date de Valorisation, l'Agent de Calcul demandera à la Partie ayant un Solde Net de signe négatif de constituer en faveur de la Partie ayant un Solde Net de signe positif une Marge d'une valeur égale à ce Solde Net, sous réserve des dispositions de l'article C.2.2.

C.2.2. Si, à une Date de Valorisation quelconque, une Marge a déjà été constituée par une Partie en faveur de l'autre, l'Agent de Calcul comparera à cette date la Valeur de la Marge et le Solde Net, et :

- (a) si la Marge a été constituée chez la Partie ayant un Solde Net de signe positif et si la Valeur de la Marge est inférieure à ce Solde Net, l'Agent de Calcul demandera à la Partie au Solde Net négatif de constituer une Marge complémentaire d'une Valeur égale à la différence. Si par contre la Valeur de la Marge est supérieure à ce Solde Net, l'Agent de Calcul demandera à la Partie au Solde Net positif de rétrocéder l'excédent de la Marge (telle que constatée à la Date de Valorisation concernée) sur le Solde Net ;

C.1.3. Once the Valuation Deficiency of each Margin Transaction has been ascertained, the Calculation Agent will establish the net Valuation Deficiency of each Party (hereafter the "Net Deficiency"), which will be equal to the algebraic sum of all such Party's Valuation Deficiencies for all outstanding Margin Transactions. To this end, any Valuation Deficiency expressed in a currency other than the Reference Currency will be converted into that Reference Currency on the Valuation Date on the basis of the foreign exchange spot rates available to the Calculation Agent at noon on that date.

C.2 MARGIN DEPOSITS AND RELEASES RESULTING FROM THE NET DEFICIENCY

C.2.1. On each Valuation Date, the Calculation Agent will request the Party showing a negative Net Deficiency to deposit with the Party showing a positive Net Deficiency Margin of a Value equal to such Net Deficiency, subject to the provisions of Article C.2.2.

C.2.2. If on any Valuation Date, Margin has already been deposited by one Party with the other, the Valuation Agent will compare the Value of the Margin on such date with the Net Deficiency, and:

- (a) in the event that such Margin has been deposited with the Party showing a positive Net Deficiency and if the Value of the Margin is lower than such Net Deficiency, the Calculation Agent will request the Party showing a negative Net Deficiency to deposit additional Margin of a Value equal to the difference. If however the Value of the Margin is higher than the Net Deficiency, the Calculation Agent will request the Party showing a positive Net Deficiency to release the surplus Margin (as established on the relevant Calculation Date) over the Net Deficiency;

(b) si la Marge a été constituée chez la Partie ayant un Solde Net de signe négatif, l'Agent de Calcul demandera à cette Partie de rétrocéder cette Marge en totalité et de constituer en faveur de la Partie au Solde Net de signe positif une Marge nouvelle d'une Valeur égale à ce Solde Net.

(b) in the event that such Margin has been deposited with the Party showing a negative Net Deficiency, the Calculation Agent will request such Party to release such Margin in full and to deposit with the Party showing a positive Net Deficiency new Margin of a Value equal to such Net Deficiency.

C.2.3. La Partie en faveur de qui doit être constituée ou rétrocédée une Marge à une date donnée pourra accepter, sur notification adressée à la Partie devant procéder à ladite constitution ou rétrocession, de réduire la Valeur de la Marge à constituer ou à rétrocéder à ladite date.

C.2.3. The Party with whom Margin is to be deposited or to whom it is to be released on any given date may notify the Party having to deposit or release such Margin that it will agree to a reduction in the Value of the Margin to be so deposited or released on such date.

C.2.4. Toute constitution ou rétrocession de Marge notifiée par l'Agent de Calcul relativement à une Date de Valorisation considérée interviendra le Jour Ouvré suivant.

C.2.4. Any Margin deposit or release notified by the Calculation Agent with respect to a given Calculation Date will take place on the following Business Day.

C.3 SEUIL DE DECLENCHIEMENT DES CONSTITUTIONS ET RETROCESSIONS DE MARGE

C.3 TRIGGER POINT FOR THE DEPOSIT AND RELEASE OF MARGIN

C.3.1. Une constitution ou rétrocession de Marge n'interviendra à une Date de Valorisation considérée que pour autant que la Valeur de la Marge ainsi constituée ou rétrocédée dépasse le Seuil de Déclenchement, tel que défini ci-dessus, et sera alors faite pour la totalité de son montant, sans franchise. Toutefois, si la Marge est seulement constituée de Titres, l'ajustement de Marge sera d'une Valeur arrondie à la quantité de Titres immédiatement inférieure. Dans le cas prévu à l'article C.2.2.(b), le Seuil de Déclenchement s'apprécie par rapport au total de la rétrocession et de la constitution de Marge.

C.3.1. No deposit or release of Margin will take place on any Valuation Date unless the Value of the Margin so deposited or released exceeds the Trigger Point, as defined above, and will then be made for its full amount, without exemption. However, if the Margin consists solely of Securities, the Margin adjustment will be rounded down to the nearest unit of the relevant Securities. In the case referred to in Article C.2.2.(b), the Trigger Point will be assessed by reference to the aggregate of the release and deposit of Margin.

C.3.2. Les dispositions qui précèdent ne s'appliquent pas à la rétrocession totale de la Marge survenant à la fin de la dernière des Pensions en cours entre les Parties.

C.3.2. The above provisions do not apply to the full release of the Margin that takes place at the end of the last Repurchase Transaction outstanding between the Parties.

ANNEXE I D

AUTRES MODIFICATIONS A LA CONVENTION

LES PARTIES CONVIENNENT PAR LA PRESENTE ANNEXE DES STIPULATIONS SUIVANTES QUI COMPLETENT ET MODIFIENT LA CONVENTION-CADRE RELATIVE AUX OPERATIONS DE PENSION LIVREE CONCLUE LE ■■■■ 2001 ENTRE LEHMAN BROTHERS INTERNATIONAL (EUROPE) (LA "PARTIE A") ET ■■■■, AGISSANT AU NOM ET POUR LE ■■■■ MENTIONNES DANS L'ANNEXE IE A LA PRESENTE CONVENTION (■■■■) ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ETANT APPELE LA "PARTIE B") (LA PARTIE A ET LA PARTIE B ETANT ENSEMBLE APPELES LES "PARTIES"), (LA "CONVENTION") ET SERONT APPLICABLES A TOUTES LES PENSIONS REGIES PAR LA CONVENTION.

LES PARTIES SONT CONVENUES DES STIPULATIONS SUIVANTES QUI COMPLETENT ET MODIFIENT LA CONVENTION ET SERONT APPLICABLES A TOUTES LES PENSIONS REGIES PAR LA CONVENTION :

SAUF DISPOSITION EXPRESSE CONTRAIRE, ■■■■ ■■■■ ■■■■ ■■■■ EST REPUTEE AGIR, ET ACCEPTE D'AGIR, AU NOM ET POUR LE COMPTE DE CHACUN DES FONDS AGISSANT SEPAREMENT EN VERTU DES TERMES ET CONDITIONS GENERALES, CI-DESSOUS MENTIONNES, QUI LEUR SONT APPLICABLES A TOUS, ET SOUS RESERVE DES TERMES ET CONDITIONS PARTICULIERES, CI-DESSOUS MENTIONNES OU MENTIONNES DANS UNE CONFIRMATION, APPLICABLES SEULEMENT A CERTAINS D'ENTRE EUX.

APPENDIX I D

OTHER AMENDMENTS TO THE AGREEMENT

THE PARTIES HEREBY AGREE TO THE FOLLOWING PROVISIONS WHICH SUPPLEMENT AND AMEND THE MASTER AGREEMENT FOR REPURCHASE TRANSACTIONS WITH DELIVERY OF SECURITIES ENTERED INTO ON ■■■■ 2001 BETWEEN LEHMAN BROTHERS INTERNATIONAL (EUROPE) ("PARTY A") AND ■■■■ ACTING ON BEHALF OF ■■■■ LISTED IN APPENDIX I TO THIS AGREEMENT ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ ■■■■ BEING REFERRED TO AS "PARTY B") (PARTY A AND PARTY B BEING JOINTLY REFERRED TO AS THE "PARTIES"), (THE "AGREEMENT") AND WILL BE APPLICABLE TO ALL THE REPURCHASE TRANSACTIONS GOVERNED BY THE AGREEMENT.

THE PARTIES AGREE TO MAKE THE FOLLOWING PROVISIONS THAT SUPPLEMENT AND AMEND THE AGREEMENT AND SHALL APPLY TO ALL REPURCHASE TRANSACTIONS GOVERNED BY THE AGREEMENT:

SAVE AS OTHERWISE PROVIDED BELOW, ■■■■ ■■■■ ■■■■ ■■■■ SHALL BE DEEMED TO BE ACTING, AND AGREES THAT IT IS ACTING, ON BEHALF OF EACH OF THE FUNDS ACTING SEPARATELY UPON THE GENERAL TERMS APPLICABLE TO ALL OF THEM WHICH ARE SPECIFIED BELOW, AND SUBJECT TO THE SPECIFIC TERMS APPLICABLE TO SOME OF THEM ONLY WHICH ARE SET OUT BELOW OR IN ANY CONFIRMATION.

LES PARTIES CONVIENNENT QUE POUR LES BESOINS DE SON EXECUTION, SA RESILIATION ET SON INTERPRETATION, LA PRESENTE CONVENTION SERA REPUTEE CONSTITUER AUTANT DE CONVENTIONS DISTINCTES QU'IL Y A DE FONDS MENTIONNES A L'ANNEXE 1E DE LA PRESENTE CONVENTION

LES PARTIES RECONNAISSENT QUE CE FORMAT CONTRACTUEL NE CONSTITUE QU'UNE SIMPLIFICATION DOCUMENTAIRE, QUE CHACUN DES FONDS EST REPUTE AVOIR SEPAREMENT CONCLU UNE CONVENTION AVEC LA PARTIE A, ET QU'AUCUNE CHARGE NE POURRA ETRE IMPOSEE PAR LE PRESENT DOCUMENT A L'UN DES FONDS A RAISON DES OBLIGATIONS DE TOUT AUTRE FONDS.

PAR SOUCI DE CLARTE, LES TERMES "PARTIE" OU "PARTIES" DOIVENT ETRE INTERPRETES COMME FAISANT REFERENCE A LA PARTIE A OU/ET LE FOND CONCERNE, REPRESENTE PAR SA SOCIETE DE GESTION.

D.1. APPLICATION DE LA CONVENTION.

D.1.1. La Convention s'applique entre les Parties à l'ensemble de leurs Pensions présentes, que ces Pensions soient ou non régies par une convention-cadre, et à leurs Pensions futures. Toutefois, les Pensions qui, lors de leur conclusion, avaient été expressément exclues du champ d'application d'une telle convention-cadre restent exclues de la présente Convention.

THE PARTIES AGREE THAT FOR THE PURPOSES OF ITS EXECUTION, PERFORMANCE, TERMINATION AND INTERPRETATION, THIS AGREEMENT SHALL BE DEEMED TO CONSTITUTE AS MANY DISTINCT AGREEMENTS AS THERE ARE FUNDS LISTED IN APPENDIX 1E TO THIS AGREEMENT.

PARTIES ACKNOWLEDGE THAT SUCH CONTRACTUAL FORMAT IS FOR THE SOLE SAKE OF DOCUMENTARY SIMPLIFICATION, THAT EACH OF THE FUNDS IS DEEMED TO HAVE SEPARATELY ENTERED INTO AN AGREEMENT WITH PARTY A, AND THAT NO FUND SHALL HAVE ANY LIABILITY UNDER THIS DOCUMENT FOR THE OBLIGATIONS OF ANY OTHER FUNDS.

FOR THE AVOIDANCE OF DOUBT, THE TERMS "PARTY" AND "PARTIES" SHALL BE CONSTRUED AS REFERRING TO PARTY A OR/AND THE RELEVANT FUND, ACTING THROUGH ITS INVESTMENT MANAGER.

D.1. SCOPE OF THIS AGREEMENT.

D.1.1. This Agreement shall apply between the Parties to all outstanding Repurchase Transactions, whether or not such Repurchase Transactions are governed by a master agreement, and to future Repurchase Transactions of the Parties. However, Repurchase Transactions that, at the time they were entered into, were expressly excluded from the scope of any such master agreement shall not be subject to this Agreement.

D.1.2. Les dispositions de la présente Convention prévalent sur celles des conventions-cadre visées à l'article D.1.1 ci-dessus et les Pensions couvertes par ces conventions-cadre sont soumises de plein droit aux dispositions de la Convention dès sa conclusion. Toutefois, les dispositions d'ordre technique des conventions-cadre susvisées restent en vigueur pour lesdites Pensions, pour autant qu'elles ne soient pas incompatibles avec les dispositions de la Convention. Elles font partie intégrante de la Convention.

D.2. DÉFINITIONS

D.2.1 Les définitions suivantes sont insérées à l'article 2 de la Convention et, le cas échéant, remplacent les définitions existantes :

"Devise : Toute monnaie librement convertible et transférable, y compris l'euro.

Marge : A une date donnée, les sommes d'argent remises en pleine propriété à une Partie en application des dispositions de l'article 7.2 et de l'Annexe I C, tels que valorisés à ladite date.

Montant Seuil :

Pour Partie A, un montant égal au plus faible de (i) [REDACTED] et (ii) [REDACTED] des fonds propres de LEHMAN BROTHERS HOLDINGS INC., (ou leurs équivalents dans toute autre Devise); et

pour Partie B, un montant égal au plus faible de (i) [REDACTED] et (ii) [REDACTED] de son actif net, (ou leur équivalents dans toute autre Devise).

D.1.2. The provisions of this Agreement shall prevail over those of the master agreements mentioned in Article D.1.1 above and the Repurchase Transactions governed by such master agreements shall *ipso jure* be governed by the terms of this Agreement with effect from its execution. Technical provisions in the above master agreements shall remain in force in respect of such Repurchase Transactions insofar as they are not inconsistent with the provisions of this Agreement, and shall form an integral part hereof.

D.2. DEFINITIONS

D.2.1 The following definitions are included in Article 2 of this Agreement and, as the case may be, replace the existing definitions:-

"Currency: Any freely convertible and transferable currency, including euro.

Margin: On a given date, any sums of money, full title to which has passed to one Party in accordance with the provisions of Article 7.2 and Appendix I C, as valued on such date.

Threshold Amount:

for Party A, an amount equal to the lesser of (i) [REDACTED] and (ii) [REDACTED] of LEHMAN BROTHERS HOLDINGS INC. Stockholder's equity, (or their equivalent in any other Currency); and

for Party B, an amount equal to the lesser of (i) [REDACTED] and (ii) [REDACTED] of its net assets, (or their equivalent in any other Currency).

Titres du Groupe de Marchés Emergents :**Emerging Market Group Securities:****Titres émis dans les pays autres que :****all Securities not issued in:**

L'Allemagne, L'Australie, l'Autriche, la Belgique, le Canada, le Danemark, l'Espagne, les Etats-Unis d'Amérique, la Finlande, la France, l'Irlande, l'Italie, le Japon, le Luxembourg, la Nouvelle-Zélande, la Norvège, les Pays-Bas, le Royaume-Uni, la Suède, la Suisse;

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;

et sauf convention contraire entre les Parties;

or as otherwise agreed between the Parties.

Valeur de la Marge : à une Date de Valorisation quelconque, signifie la valeur des sommes d'argent constituant la Marge à la Date de Valorisation précédente (après éventuel ajustement de Marge à cette date), majorée des intérêts courus, calculés au Taux de Référence pour la période allant de la Date de Valorisation précédente à la Date de Valorisation considérée.

Value of the Margin: on any Valuation Date, means the value of the cash constituting the Margin on the preceding Valuation Date (after any adjustment of the Margin as of such date), plus any accrued interest, calculated at the Reference Rate for the period from the preceding Valuation Date up to such Valuation Date.

D.2.2 Les mots "une bourse de valeurs" dans la définition de "Valeur du (des) Titre(s)" sont supprimés et remplacés par les mots "un marché réglementé".

D.2.2 The words "stock exchange" in the definition of "Value of the Security(ies)" are deleted and replaced by the words "regulated market".

D.3. TITRES ADMISSIBLES
SUBSTITUTION DE TITRES

D.3 ELIGIBLE SECURITIES
SUBSTITUTION OF SECURITIES

D.3.1. Les Parties reconnaissent que la Partie A relève du périmètre comptable d'une société américaine sur une base consolidée, et que les principes définis par la réglementation comptable *US Generally Accepted Accounting Principals (Statement n°125 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities")*, entrés en vigueur le 1^{er} janvier 1998, s'appliquent à l'initiative de cette Partie, lorsqu'elle agit en qualité de cédant. En conséquence, il est ajouté une Annexe IV "Dispositions sur la substitution unilatérale par le cédant" à la Convention qui fait partie intégrante de la Convention.

D.3.1. The Parties acknowledge that Party A falls within the consolidated accounting perimeter of a US company, and that the principles laid down by the accounting regulation *US Generally Accepted Accounting Principals (Statement n°125 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities")*, effective on 1st January, 1998, apply at the option of Party A when it acts as the seller. Hence, Appendix IV "Provisions dealing with the unilateral substitution by the seller" is annexed to the Agreement and forms an integral part thereof.

D.3.2. Dans l'Annexe IV, les mots "(heure de Paris)" sont supprimés partout et remplacés par les mots "(heure de Londres)".

D.3.3. Dans l'article 3.1 de la Convention, le mot "et" est supprimé à la fin de la référence aux "titres de créances négociables" et inséré à la fin de la référence aux "effets publics ou privés". Le point à la fin de cette dernière référence est supprimé et remplacé par ";", et la référence supplémentaire suivante est insérée: "- Titres du Groupe de Marchés Emergents tels que définis ci-dessus".

D.3.4. Dans l'Annexe IV, les mots "ou en Marge" et les mots "ou sur la Marge déjà constituée" sont supprimés chaque fois qu'ils apparaissent.

D.4. OPERATIONS SUR TITRES

La première phrase de l'article 4.1 de la Convention est supprimée et remplacée par les stipulations suivantes :

"4.1 En cas de mise en paiement, pendant la durée de la Pension, d'un intérêt ou de toute somme (i) non soumise à la retenue à la source, et (ii) n'ouvrant pas droit à un crédit d'impôt dans les conditions prévues par les dispositions du Code général des impôts, le cessionnaire paiera au cédant un montant en espèces équivalent à la somme mise en paiement."

D.5. CONCLUSION DES PENSIONS

Les mots "et conviennent que ces enregistrements pourront être produits en justice à titre de preuve, à propos de tout objet lié au présent Contrat" sont ajoutés à la fin de l'article 5.1 de la Convention.

D.3.2. In Appendix IV, the words "(Paris time)" are deleted everywhere and replaced by the words "(London time)".

D.3.3. In Article 3.1 of the Agreement, the word "and" shall be deleted from the end of the reference to "negotiable debt instruments" and inserted at the end of the reference to "private and public sector promissory notes and bills of exchange". The period at the end of this latter reference shall be deleted and replaced with ";" and the following shall be inserted as a separate reference thereafter: "- Emerging Market Group Securities as defined above."

D.3.4. In Appendix IV, the words "or constituting Margin" and the words "or the already existing Margin" are deleted everywhere they appear.

D.4. EVENTS RELATING TO SECURITIES

The first sentence of Article 4.1 of this Agreement is deleted and replaced by the following provisions:

"4.1 In the event of any payment of interest or any other sum which (i) is not subject to the deduction of tax at source, and (ii) does not give the benefit of a tax credit in the conditions provided for by the *Code général des impôts* during the course of the Repurchase Transaction, the buyer will pay to the seller a cash amount equal to the sum so paid."

D.5. INITIATION OF THE REPURCHASE TRANSACTIONS

The words "and agree that any such tape recordings may be submitted in evidence to any court or legal proceedings for the purpose of establishing any matters relating to this Agreement" at the end of Article 5.1 of the Agreement.

D.6. CESSION ET RETROCESSION DES TITRES

Les mots "à l'égard des tiers et de l'autre Partie" sont insérés à l'article 6.2 de la Convention entre le mot "propriété" et les mots "des Titres livrés".

D.7. APPEL ET GESTION DES MARGES & ANNEXE I C

D.7.1. A l'article C.1.3. de l'Annexe I C, les mots "12h00" sont supprimés et remplacés par les mots "8h00 (heure de Londres)".

D.7.2. L'article 7.3 de la Convention est supprimé dans son intégralité et remplacé par les stipulations suivantes :

"7.3 Pour l'application des dispositions de l'article 7 et de l'Annexe I C, la constitution de la Marge (ou "*remise complémentaire*" au sens de la Loi) s'entend exclusivement de la remise en pleine propriété de sommes d'argent libellées dans la Devise de Référence (sous forme de virement irrévocable). De même, la rétrocession de Marge s'entend exclusivement, lorsqu'une Marge a été constituée chez une Partie, d'une remise en pleine propriété de sommes d'argent libellées dans la Devise de Référence (sous forme de virement irrévocable), au bénéfice de l'autre Partie. Si la rétrocession de Marge n'est que partielle, cette rétrocession diminuera d'autant la Valeur de la Marge maintenue."

D.7.3. La deuxième phrase de l'article C.3.1 de l'Annexe I C est supprimée dans son intégralité.

D.6. SALE AND REPURCHASE OF SECURITIES

The words "*vis-à-vis* third parties and the other Party" are inserted in Article 6.2 of the Agreement between the words "full title" and the words "to the Securities".

D.7. MARGIN CALL AND MAINTENANCE PROVISIONS & APPENDIX I C

D.7.1. In Article C.1.3. of Appendix I C, the word "noon" is deleted and replaced by the words "8:00 a.m. (London time)".

D.7.2. Article 7.3 of the Agreement is deleted and replaced by the following provisions:-

"7.3 For the purposes of the provisions of Article 7 and Appendix I C, the deposit of Margin (the "*remise complémentaire*" referred to in the Act) is to be exclusively construed as the passing, in full title, of cash denominated in the Reference Currency (taking the form of an irrevocable transfer order). Conversely, when Margin has been deposited with one Party, its release is to be exclusively construed as the passing, in full title of cash denominated in the reference Currency (taking the form of an irrevocable transfer order) to the other Party. In the event of a partial release of Margin, such release will reduce *pro tanto* the Value of any remaining Margin."

D.7.3. The second sentence of Article C.3.1 of Appendix I C is deleted in its entirety.

D.7.4. Il est ajouté un article C.4 à l'Annexe I.C dont les termes sont les suivants :

"C.4. Chaque Partie convient expressément, et sous réserve de l'exécution de l'ensemble de ses obligations par l'autre Partie, de rétrocéder la totalité de la Marge dont elle bénéficie, le cas échéant, à la Date de Rétrocession de la dernière des Pensions en cours entre les Parties et ce nonobstant toute disposition contractuelle contraire."

D.7.5. Les articles 7.4 et 7.5 suivants sont ajoutés à la Convention :

7.4 Les Parties reconnaissent expressément que les intérêts courus sur la partie de la Marge constituée de sommes d'argent seront calculés sur la base du Taux de Référence et ne feront l'objet d'aucun paiement spécifique à la Partie ayant constitué ladite Marge autrement que par le biais des constitutions et / ou rétrocessions de Marge.

7.5 L'obligation pour chacune des Parties de procéder à la constitution et / ou à la rétrocession d'une Marge, conformément aux dispositions de l'article 7 et de l'Annexe I C de la Convention, prendra effet à la date de signature de la Convention et s'appliquera à l'ensemble des Pensions en cours à cette date entre les Parties."

D.8. RETARDS DE PAIEMENT OU DE LIVRAISON

Il est ajouté un article 8.4 à la Convention dont les termes sont les suivants :

"8.4 CAPITALISATION DES INTERETS DE RETARD

Les Intérêts de Retard échus seront capitalisés s'ils sont dus au moins pour une année entière."

D.7.4. The following Article C.4 is added to Appendix I C:-

"C.4. Each Party agrees to fully release, subject to the due performance of all obligations by the other Party, the Margin that it may still own, as the case may be, on the Repurchase Date of the latest Repurchase Transaction outstanding between the Parties, notwithstanding any contractual provisions to the contrary."

D.7.5. The following Articles 7.4 and 7.5 are added to the Agreement:-

7.4 The Parties expressly acknowledge that interest accruing on the portion of the Margin that is comprised of cash shall be calculated on the basis of the Reference Rate, and that any payment in respect of such accrued interest to the Party that has deposited such Margin shall be effected only simultaneously with any deposit and/or release of Margin.

7.5 Each Party's obligation to deposit or release Margin in compliance with the provisions of Article 7 and Appendix I C to this Agreement shall be effective on the date first mentioned herein above and shall apply to all Repurchase Transactions outstanding at that date between the Parties."

D.8. LATE PAYMENT OR DELIVERY

The following Article 8.4 is added to this Agreement:

"8.4 LATE INTERESTS CAPITALISATION

Late Interests that are due will be capitalised if they are due for a period of time of at least one year."

D.9. DECLARATIONS

D.9.1. Les mots "et de chaque Pension" sont insérés après le mot "Convention" à la première phrase de l'article 9 de la Convention.

D.9.2. Il est ajouté l'article 9.9 à la Convention dont les termes sont les suivants :

"9.9 Qu'elle est pleinement propriétaire des Titres mis en Pension ou remis à titre de Marge, et que ces Titres sont libres de toute sûreté ou droit quelconque au profit de quiconque."

D.9.3. Les stipulations suivantes sont ajoutées à la fin de l'article 9.2 de la Convention :

"et, en particulier, en ce qui concerne la Partie B, qu'aucune conclusion de Pension ne contreviendra au respect des ratios financiers et des limites d'exposition maximum qui lui sont imposés par la loi n° 88-1201 du 23 décembre 1988 et ses décrets d'application ou par une de ses autorités de tutelle ;"

D.9.4. Il est ajouté l'article 9.10 à la Convention dont les termes sont les suivants :

D.9. REPRESENTATIONS

D.9.1. The words "and into each Repurchase Transaction" are inserted after the word "Agreement" in the first sentence of Article 9 of the Agreement.

D.9.2. The following Article 9.9 is added to this Agreement:-

"9.9 that it has full ownership and title to the Securities subject to each Repurchase Transaction or delivered as Margin, and that such Securities are free of any lien, encumbrance or third party right to the benefit of any third party."

D.9.3. The following provisions are added at the end of Article 9.2 of the Agreement:

"and in particular, with respect to Party B, that no Repurchase Transaction that it is entering into will breach compliance with the financial ratios and maximum exposure limits set forth by Law No. 88-1201 of 23rd December, 1988 and its enforcement decrees or by any of its supervisory authorities;"

D.9.4. The following Article 9.10 is added to this Agreement:-

9.10. [REDACTED] déclare et atteste que :

- (a) [REDACTED] a tous pouvoirs et autorités pour conclure la Convention et toutes Pensions (telle que définies dans la Convention) au nom et pour le compte des Fonds ;
- (b) toutes les Pensions régies par la Convention, conclues ou à conclure, sont conclues pour le compte des Fonds et non pour le compte de [REDACTED] ;
- (c) chaque Fonds sera identifié dans chaque Confirmation, et son nom sera communiqué à la Partie A lors de la conclusion de chaque Pension ; et
- (d) [REDACTED] avertira Partie A de tout changement de la société de gestion des Fonds.

D.10. RESILIATION DES OPERATIONS DE PENSION

D.10.1. Les mots "ou réitérée" sont insérés à l'article 10.1.1.2 de la Convention entre le mot "faite" et les mots "par cette Partie".

D.10.2. L'article 10.1.1.6 de la Convention est supprimé et remplacé par les stipulations suivantes :

9.10. [REDACTED] represents and warrants that :

- (a) [REDACTED] has all power and authority to enter into the Agreement and all Repurchase Transactions (as defined in the Agreement) for the account of the Funds;
- (b) all Repurchase Transactions entered or to be entered into under the Agreement will be for the account of the Funds and not for the account of [REDACTED] ;
- (c) each Fund will be identified in each Confirmation and its name will be disclosed to Party A at the time of entering into each Repurchase Transaction; and
- (d) [REDACTED] will inform Party A of any change in the fund manager of the Funds.

D.10. TERMINATION OF REPURCHASE TRANSACTIONS

D.10.1. The words "or repeated" are inserted in Article 10.1.1.2 of the Agreement between the word "made" and the words "by such Party".

D.10.2. Article 10.1.1.6 of this Agreement is deleted and replaced by the following provisions:-

"10.1.1.6 l'inexécution d'une quelconque obligation de paiement au titre de toute dette d'emprunt, pour un montant minimal supérieur ou égal au Montant Seuil, sauf en cas d'erreur manifeste et à moins que le paiement de ce montant ne soit l'objet d'une contestation sérieuse au fond ;"

"10.1.1.6 failure to meet any payment obligation when due with respect of any borrowed money, for an amount equal to, or greater than, the Threshold Amount, save in the event of any manifest error and unless the payment of such sum is subject to a serious substantive dispute;"

D.11. CALCUL ET PAIEMENT DU SOLDE DE RESILIATION

L'article 11.2.2 de la Convention est complété par les stipulations suivantes:

" A cet effet, X pourra convertir dans la Devise de Référence le montant de ces autres obligations de paiement qui seraient libellées en une autre Devise sur la base des cours de change au comptant disponibles pour l'Agent de Calcul à 09h00 (heure de Londres) à cette date."

D.11. CALCULATION AND PAYMENT OF THE CLOSE-OUT BALANCE

The following provisions are added at the end of Article 11.2.2:-

"To this end, the Non-Defaulting Party will be entitled to convert into the Reference Currency the amount of these other payment obligations which may be denominated in another Currency on the basis of the foreign exchange spot rates available to the Calculation Agent at 9:00a.m. (London time) on that day."

D.12. DISPOSITIONS FISCALES

Il est ajouté à l'article 12 de la Convention un article 12.6 dont les termes sont les suivants :

"12.6. DISPOSITIONS FISCALES

En cas de Circonstance Nouvelle visée à l'article 10.2.1.1 de la Convention dont il résulte qu'il doit être procédé à une déduction ou retenue nouvelle de nature fiscale sur un montant que la Partie Affectée doit recevoir de l'autre Partie au titre de ladite Pension, chaque Partie devra tenir à la disposition de l'autre Partie les documents relatifs à cette déduction ou retenue qui pourraient lui être nécessaires afin de mettre en application les dispositions de l'article 10.2.2.

D.12. TAX PROVISIONS

The following Article 12.6 is added to Article 12 of this Agreement and is named:

"12.6 TAX PROVISIONS

In the case of a Change in Circumstances referred to in article 10.2.1.1 of the Agreement, which results in any new deduction or withholding tax payable on an amount due to the Affected Party from the other Party under a specific Repurchase Transaction, each Party must keep available for the other Party any documents relating to such deduction or withholding that may be necessary for the purposes of the application of the provisions of article 10.2.2.

D.13 FOURNITURE DE DOCUMENTS

D.13.1 La Partie B, ou, selon le cas, [REDACTED], fournira à la Partie A, avant la conclusion de toute Pension, les documents suivants :

- (a) une copie certifiée conforme et à jour des statuts de la Partie B ou de tout autre document constitutif équivalent ;
- (b) un extrait K-bis du Registre du Commerce et des Sociétés relatif à la [REDACTED] ou de tout autre document équivalent ;
- (c) un original ou une copie certifiée conforme par un représentant dûment habilité, des autorisations sociales et des pouvoirs des signataires représentant la Partie B pour la signature de la Convention, accompagné du spécimen de signature desdits signataires ;
- (d) une copie du règlement et de la notice d'information les plus récents de chaque Fonds, telle qu'approuvée par la COMMISSION DES OPERATIONS DE BOURSE ; et
- (e) la liste des noms des personnes autorisées à agir au nom de la Partie B au titre de la Convention.

D.13.2. La Partie B ou, selon le cas, [REDACTED], fournira à la Partie A, le plus tôt possible, une mise à jour des documents figurant au paragraphe D.13.1 au cas où l'un de ces documents serait modifié, ou en cas de changement dans les personnes habilitées à la représenter.

D.13. PROVISION OF DOCUMENTS

D.13.1 Party B, or, where appropriate, [REDACTED], will provide Party A, before the conclusion of any Repurchase Transaction, with the following documents:-

- (a) a copy certified true and up-to-date of the *statuts* of Party B or of any other equivalent constituting document;
- (b) an *extrait K-bis* of the *Registre du Commerce et des Sociétés* relating to [REDACTED] or any other equivalent document;
- (c) an original or copy certified true by a duly authorised representative, of the corporate authorisations and the powers of the signatories representing it for the execution of this Agreement, together with specimen signature of such signatories;
- (d) a copy of each Fund's most recent *règlement* and *notice d'information*, as approved by the COMMISSION DES OPÉRATIONS DE BOURSE; and
- (e) the list of the names of the persons authorised to act on behalf of Party B for the purposes of this Agreement.

D.13.2. Party B, [REDACTED], will provide Party A, as soon as possible, with an update of the documents listed in paragraph D.13.1 in the case of modification of any such documents, or in the event of a change in the persons authorised to represent it.

D.13.3 La Partie A fournira à la [REDACTED] un original ou une copie certifiée conforme par un représentant dûment habilité, des autorisations sociales et des pouvoirs des signataires représentant la Partie A pour la signature de la Convention, accompagné du spécimen de signature desdits signataires.

D.13.4 Chaque Partie fournira à l'autre Partie, dans les meilleurs délais, tous autres documents que cette dernière pourra raisonnablement lui demander.

D.14. LANGUE

La Convention et chacune des Confirmations seront conclues en langues française et anglaise. En cas de différence entre les versions française et anglaise, la version française prévaudra.

D.13.3 Party A will provide [REDACTED] with an original or copy certified true by a duly authorised representative, of the corporate authorisations and the powers of the signatories representing it for the execution of this Agreement, together with specimen signature of such signatories.

D.13.4 Each Party shall make available to the other Part as soon as possible, any other document which may reasonably be requested by the other Party.

D.14. LANGUAGE

This Agreement and each Confirmation shall be entered into in the French and English languages. In case of discrepancy, the French version shall prevail.

Par : Mme. / M.
Titre :

By: Ms. / Mr.
Title:

ANNEXE 1E

SAUF DISPOSITION EXPRESSE CONTRAIRE,
[REDACTED] EST
REPUTEE AGIR, ET ACCEPTE AGIR, DANS LE
CADRE DE LA PRESENTE CONVENTION, AU NOM
ET POUR LE COMPTE DES [REDACTED]

1. **Identify the main idea of the passage.**
 2. **Summarize the main idea in your own words.**
 3. **Identify the supporting details.**
 4. **Summarize the supporting details in your own words.**
 5. **Identify the conclusion.**
 6. **Summarize the conclusion in your own words.**

114

[illegible]

APPENDIX 1E

SAVE AS OTHERWISE PROVIDED BELOW, [REDACTED]
[REDACTED] SHALL BE
DEEMED TO BE ACTING, AND AGREES THAT IT IS
ACTING, ON BEHALF OF EACH OF THE
FOLLOWING FRENCH [REDACTED] [REDACTED] [REDACTED]

THE

Dépositaire

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1. NAME
 2. DATE
 3. TIME
 4. PLACE
 5. REASON

5

[REDACTED]

[REDACTED]

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08 11 17 45
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[Redacted]

[Redacted]

Fait à [Redacted]
en trois (3) exemplaires originaux

Executed in [Redacted]
in three (3) original counterparts

**LEHMAN BROTHERS
INTERNATIONAL (EUROPE)**

**LEHMAN BROTHERS
INTERNATIONAL (EUROPE)**

[Redacted]

Par : Mme. / M.
Titre :

[Redacted]

[Redacted]

Par : Mme. / M.
Titre :

By: Ms. / Mr.
Title:

[Redacted]

ANNEXE II
TABEAU RECAPITULATIF DU SOLDE DE RESILIATION (version française)

	$RB_{pc} > 0$	$RB_{pc} < 0$
PAS DE MARGE CONSTITUEE	$SR = RB_{pc}$ SR dû par la Partie Défaillante ou Affectée	$SR = RB_{pc} $ SR dû par la Partie en charge des calculs
MARGE CONSTITUEE CHEZ LA PARTIE EN CHARGE DES CALCULS	$M < RB_{pc}$ $SR = RB_{pc} - M$ SR dû par la Partie Défaillante ou Affectée	$SR = RB_{pc} + M$ SR dû par la Partie en charge des calculs
	$M > RB_{pc}$ $SR = M - RB_{pc}$ SR dû par la Partie en charge des calculs	
MARGE CONSTITUEE CHEZ LA PARTIE DEFAILLANTE OU AFFECTEE	$SR = RB_{pc} + M$ SR dû par la Partie Défaillante ou Affectée	$M < RB_{pc} $ $SR = RB_{pc} - M$ SR dû par la Partie en charge des calculs
		$M > RB_{pc} $ $SR = M - RB_{pc} $ SR dû par la Partie Défaillante ou Affectée

Partie en charge des calculs : Partie Non Défaillante ou Partie Non Affectée, selon le cas

RB_{pc} : Risque Brut de la Partie en charge des calculs
 $RB_{pc} = \Sigma$ Ecarts de Valeur positifs de cette Partie et des Montants Dus par l'autre Partie - Σ Ecarts de Valeur négatifs de cette Partie et des Montants Dus par elle

M : Marge constituée, telle que valorisée à la Date de Résiliation

SR : Solde de Résiliation

SUMMARY CALCULATION TABLE OF THE CLOSE-OUT BALANCE
(English translation for information purposes)

	$OE_{cp} > 0$	$OE_{cp} < 0$
NO DEPOSITED MARGIN	$CoB = OE_{cp}$ CoB due from the Defaulting or Affected Party	$CoB = OE_{cp} $ CoB due from the Calculation Party
MARGIN DEPOSITED WITH THE CALCULATION PARTY	$M < OE_{cp}$ $CoB = OE_{cp} - M$ CoB due from the Defaulting or Affected Party	$CoB = OE_{cp} + M$ CoB due from the Calculation Party
	$M > OE_{cp}$ $CoB = M - OE_{cp}$ CoB due from the Calculation Party	
MARGIN DEPOSITED WITH THE DEFAULTING OR AFFECTED PARTY	$CoB = OE_{cp} + M$ CoB due from the Defaulting or Affected Party	$M < OE_{cp} $ $CoB = OE_{cp} - M$ CoB due from the Calculation Party
		$M > OE_{cp} $ $CoB = M - OE_{cp} $ CoB due from the Defaulting or Affected Party

Calculation Party: Non-Defaulting or Non-Affected Party, as the case may be

OE_{cp} : Overall Exposure of the Calculation Party
 $OE_{cp} = \Sigma$ positive Valuation Deficiencies of such Party plus Amounts Due from the other Party - Σ negative Valuation Deficiencies of such Party plus Amounts Due from the other Party

M: Deposited Margin, as valued on the Termination Date

CoB: Close-out Balance

Fait à [REDACTED]
[REDACTED]
en trois (3) exemplaires originaux

Executed in [REDACTED]
[REDACTED]
in three (3) original counterparts

LEHMAN BROTHERS
INTERNATIONAL (EUROPE)



Par : Mme. / M.
Titre :

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Par : Mme. / M.
Titre :

By: Ms. / Mr.
Title:



ANNEXE III**PARAMETRES ET DISPOSITIONS TECHNIQUES
APPLICABLES AUX PENSIONS
SUR TITRES DE CAPITAL**

Les Parties conviennent de ne pas conclure de Pensions sur titres de capital et en conséquence de supprimer les stipulations de l'Annexe III dans leur intégralité. Dans l'hypothèse où les Parties souhaiteraient à l'avenir conclure ce type de Pensions, elles se rapprocheront aux fins de modifier la présente Convention en intégrant celles des stipulations de cette Annexe III dont elles sont convenues.

Fait à 

en trois (3) exemplaires originaux

LEHMAN BROTHERS INTERNATIONAL
(EUROPE)

Par : Mme. / M.
Titre :

AU NOM ET POUR LE COMPTE DES FONDS
COMMUNS DE PLACEMENT MENTIONNES EN
ANNEXE 1E

Par : Mme. / M.
Titre :

APPENDIX III**PARAMETERS AND TECHNICAL PROVISIONS
APPLICABLE TO THE REPURCHASE
TRANSACTIONS ON EQUITY SECURITIES**

Parties agree not to enter into Repurchase Transactions on equity securities and thus to delete the provisions of Appendix III in their entirety. Should the Parties in the future decide to enter into such Repurchase Transactions, they will consult in order to modify this Agreement so that to incorporate those provisions of such Appendix III that they have agreed upon.

Executed in 

in three (3) original counterparts

LEHMAN BROTHERS INTERNATIONAL
(EUROPE)

By: Ms. / Mr.
Title:

ACTING ON BEHALF OF THE FONDS COMMUNS DE
PLACEMENT LISTED ON APPENDIX 1E

By: Ms. / Mr.
Title:

ANNEXE IV
DISPOSITIONS SUR LA SUBSTITUTION
UNILATERALE PAR LE CEDANT
(RÈGLE FASB 125)

L'article 3.2 de la Convention est complété de la manière suivante :

"Le cédant bénéficie en outre, à tout moment, d'un droit unilatéral lui permettant :

- soit de substituer à des Titres déjà mis en pension ou en Marge, d'autres Titres, sous réserve (i) d'un préavis devant intervenir au plus tard à 10h00 (heure de Paris) deux Jours Ouvrés précédant la substitution ; et (ii) qu'à la date à laquelle intervient la substitution, les nouveaux Titres aient une Valeur au moins égale à celle des Titres auxquels ils se substituent ;
- soit de résilier le ou les opérations de Pensions concernées, si le cessionnaire refuse les Titres proposés en substitution au plus tard à 12h00 (heure de Paris) le Jour Ouvré précédant la date de substitution.

La substitution se réalise, dans les conditions visées à l'article 6.2 de la Convention, par le transfert, par le cédant au cessionnaire, de la propriété des nouveaux Titres et par le transfert, par le cessionnaire au cédant, des Titres initialement mis en pension.

Cette substitution n'a pas d'effet novatoire sur la Pension considérée ou sur la Marge déjà constituée. En conséquence, les Parties restent tenues dans les TERMES et conditions convenues entre elles pour la Pension considérée, l'engagement de rétrocession portant dès lors sur les Titres substitués.

APPENDIX IV
PROVISIONS DEALING WITH THE UNILATERAL
SUBSTITUTION BY THE SELLER
(FASB 125 RULE)

Article 3.2 of the Agreement is supplemented as follows:-

"Also, the seller shall have the unilateral right to:-

- either substitute new Securities for those Securities that were already subject to a Repurchase Transaction or constituting a Margin, provided that (i) it serves prior notice at least before 10:00 a.m. (Paris time) two Business Days before the substitution; and (ii) on the date on which the substitution shall occur, the new Securities have a Value, at least equal to that of the Securities they are substituted for;
- or terminate the relevant Repurchase Transaction(s), if the buyer refuses the Securities proposed for the substitution at the latest at noon (Paris time) on the Business Day preceding the date of substitution.

Such substitution shall take place, in compliance with the terms of Article 6.2 of the Agreement, by transfer, from the seller to the buyer, of the full title to the Securities being delivered and by the transfer, by the buyer to the seller, of the Securities that were the object of the Repurchase Transaction.

Such substitution shall operate no novation of the relevant Repurchase transaction or the already existing Margin. Hence, the Parties shall remain bound by the same terms agreed by them for such Repurchase Transaction, the obligation to repurchase relating then to the substituted Securities.

Si le cédant exerce le droit de substitution ou de résiliation qui lui est reconnu par la présente Annexe IV, il devra payer au cessionnaire :

- tous les frais encourus et calculés de bonne foi par le cessionnaire dans le cadre tant de la substitution des Titres déjà mis en pension ou en Marge que, le cas échéant, de la résiliation et du remplacement des opérations de Pensions concernées ; et
- une indemnité forfaitaire de 20 (vingt) points de base calculée sur la Valeur, à la date de substitution, des Titres initialement mis en pension."

Should the Seller exercise the right of substitution or termination it is granted with by this Appendix IV, it shall pay to the Buyer:

- any costs incurred and calculated in good faith by the buyer with respect to both the substitution of the Securities that were already subject to a Repurchase Transaction or constituting a Margin, and, as the case may be, the termination and replacement of the relevant Repurchase Transactions; and
- a basic allowance of 20 (twenty) basis points calculated on the Value, on the substitution date, of the Securities that were initially subject to a Repurchase Transaction."

le [REDACTED] 2001
en trois (3) exemplaires originaux

LEIIMAN BROTHIERS
INTERNATIONAL (EUROPE)



AU NOM ET POUR LE COMPTE DES FONDS
COMMUNS DE PLACEMENT MENTIONNES EN
ANNEXE I E

Par : Mme. / M.
Titre :

On [REDACTED] 2001
in three (3) original counterparts

LEIIMAN BROTHIERS
INTERNATIONAL (EUROPE)



ACTING ON BEHALF OF THE FONDS COMMUNS DE
PLACEMENT LISTED ON APPENDIX I E

By: Ms. / Mr.
Title:


KIRKLAND & ELLIS INTERNATIONAL LLP

Partha Kar/Kon Asimacopoulos
To Call Writer Directly:
+44 20 7469 2350/ +44 20 7469 2230
partha.kar@kirkland.com/
kon.asimacopoulos@kirkland.com

30 St Mary Axe
London
EC3A 8AF
Telephone: +44 20 7469 2000
www.kirkland.com

Facsimile:
+44 20 7469 2001

7 July 2015

BY EMAIL

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
Attention: Christopher Robinson / Look Chan Ho
christopher.robinson@freshfields.com / lookchan.ho@freshfields.com

Linklaters LLP
1 Silk Street
London EC2Y 8HQ
Attention: Tony Bugg / Euan Clarke
tony.bugg@linklaters.com / euan.clarke@linklaters.com

Dear Sirs,

Waterfall II – Distribution of Surplus Application: Part C (the “Application”)

1. We write further to Linklaters’ letters of 12 and 19 June 2015 and 3 July 2015, Freshfields’ letters of 24 June 2015 and 6 July 2015, and our letters of 1 and 30 June 2015.
2. There are four kinds of agreement relevant to Issues 22 to 26: AFB, FBF, AFTB and AFTI. Based on the information provided by Linklaters we set out below a breakdown of these agreements by number of claims and value:

Agreement	Number of Claims	Value (GBP millions)
1. FBF: Non-Euro	1	0.6
FBF: Euro	41	164.6
FBF (LFC): Euro	1	43.5
2. AFTI: Non-Euro	-	
AFTI: Euro	1	0.9
3. AFTB: Non-Euro	-	
AFTB: Euro	4	0.3
4. AFB: Non-Euro	-	

KIRKLAND & ELLIS INTERNATIONAL LLP

IS A MULTINATIONAL PRACTICE, THE PARTNERS OF WHICH ARE SOLICITORS OR REGISTERED FOREIGN LAWYERS (ADMITTED IN THE U.S. AND OTHER JURISDICTIONS), AND IS AUTHORIZED AND REGULATED BY THE SOLICITORS REGULATION AUTHORITY (SRA NUMBER 349107). A LIST OF THE PARTNERS, GIVING EACH PARTNER'S PROFESSIONAL QUALIFICATION AND JURISDICTION OF QUALIFICATION IS OPEN TO INSPECTION AT THE ADDRESS ABOVE.

ASSOCIATED OFFICES

Beijing Chicago Hong Kong Los Angeles Munich New York Palo Alto San Francisco Shanghai Washington, D.C.
KE 95056626.3
AVL13 - Page 101 of 144

KIRKLAND & ELLIS INTERNATIONAL LLP

7 July 2015

Page 2

Agreement	Number of Claims	Value (GBP millions)
AFB: Euro	2	21.9

3. We are concerned that the parties and the Court should not be required to devote extensive time and resources to resolving legal disputes under agreements which appear to have no or minimal economic importance to the distribution of the surplus.
4. It is important that the parties take steps to identify such matters in advance of exchange of the French expert reports so as to ensure that the expert evidence is properly focused on the issues which are material to the distribution of the surplus.

AFTI Master Agreement

5. There is only one claim under the AFTI master agreement. The anonymised confirmation provided to us has amended the standard form such that the applicable rate is EONIA plus one per cent. There does not appear to be any serious argument to the contrary.
6. We note that Linklaters and Freshfields share Wentworth's view on this issue, as recorded in their respective letters of 3 July and 6 July 2015.
7. Accordingly, we suggest that any issues regarding the AFTI Master Agreement be removed from the Application and left for determination if the creditor in respect of the claim seeks, contrary to the express terms of its agreement, to assert a different rate.

AFTB Master Agreement

8. There are four claims under the AFTB Master Agreement. The anonymised confirmation provided to us on 19 June 2015 defined Late Interest Rate as "*for euro, the highest rate offered by the EUROPEAN CENTRAL BANK for the financing of the beneficiary of the late payment*". We have now received confirmation, by Linklaters' letter of 3 July 2013, that the position is the same in relation to all four claims.
9. We are concerned that the argument the SCG would seek to advance at paragraph 24(3)(d) of its reply position paper, specifically that some other right might apply to a euro denominated claim if the payee cannot borrow from the ECB, is unrealistic. The SCG will, of course, take its own view of the merits of this point; however, it has not to date advanced a tenable case.
10. For the purposes of this letter, however, it is surprising that the SCG should wish, following the provision of the information in relation to the population of claims under the French master agreements, to continue to advance such an argument. In this regard: (i) the four claims total only £300,000; (ii) no attempt has been made to state or to ascertain what rate the SCG would wish to assert in respect of these claims; (iii)

KIRKLAND & ELLIS INTERNATIONAL LLP

7 July 2015

Page 3

even if the SCG is correct in its contention, it is confined to assert an overnight refinancing rate, which is inherently unlikely to yield a rate in excess of 8% per annum; and (iv) even if a rate in excess of 8% per annum is asserted in a particular case, the impact on the distribution of the surplus would only amount to the difference between 8% per annum and the claimed interest rate as applied to a proved claim of minimal value.

11. Accordingly, we suggest that it would be proportionate for any issues regarding the AFTB Master Agreement to be removed from the Application and left for a case-by-case determination.

Non-euro denominated claims

12. As regards non-euro denominated claims, Wentworth contends that the applicable rate is that equivalent to EONIA for relevant currency. It has become clear, following the provision of the information in relation to the population of claims under the French master agreements, that there is only one non-euro denominated claim – a claim under the FBF master agreement with a value of £600,000. It is plain that this claim is de minimis in the context of the Application, especially as the dispute is about interest on that claim and the wording of the FBF master agreement is in terms of an overnight borrowing rate.
13. Accordingly, we suggest that it would be proportionate for any issues regarding non-Euro denominated claims to be removed from the Application and left for a case specific determination in the event that a rate of greater than 8% per annum is, in fact, asserted in respect of this claim.
14. We would ask that you respond to this letter by return. The extent to which you share our concerns will have an impact on the scope of the expert evidence to be filed.

Yours faithfully,



Kirkland & Ellis International LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

7 July 2015

Page 4

COPIED TO:

Michelmores LLP

48 Chancery Lane

London WC2Y 1JF

Attention: Charles Maunder / Peter Sigler

charles.maunder@michelmores.com / peter.sigler@michelmores.com



BY EMAIL

FAO: Tony Bugg and Euan Clarke
Linklaters LLP
1 Silk Street
London EC2Y 8HQ

FAO: Partha Kar and Kon Asimacopoulos
Kirkland & Ellis International LLP
30 St Mary Axe
London EC3A 8AF

8 July 2015

Dear Sirs

Lehman Brothers Waterfall Application (Nos. 7942 of 2008) (*Waterfall II*) – French law master agreements

This letter is sent on behalf of CVI GVF (Lux) Master Sarl, Hutchinson Investors LLC, Burlington Loan Management Limited, and their relevant affiliates (the **Senior Creditor Group**) and has been approved by Ropes & Gray International LLP and Schulte Roth & Zabel International LLP.

We refer to Kirkland & Ellis' letter dated 7 July 2015.

1. We note Kirkland & Ellis' suggestions that any issues regarding the AFTI Master Agreement, the AFTB Master Agreement or non-Euro denominated claims be removed from the Waterfall II application, in paragraphs 7, 11 and 13 respectively.
2. However, we also note that the issues relating to French law master agreements were ultimately included in the Waterfall II application at the request of the Joint Administrators.
3. The Senior Creditor Group has, consistent with its role of providing a voice for the general body of unsecured creditors, taken a position on behalf of general unsecured creditors in respect of the French law master agreements, including those in which the Senior Creditor Group has no material economic interest.
4. We have been working on the expert evidence and incurring costs accordingly for a number of weeks and our expert's report is close to being finalised, on the basis of

London

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
T +44 20 7936 4000 (Switchboard)
+44 20 7785 5781 (Direct)
F +44 20 7108 5781
LDE No 23
E christopher.robinson@freshfields.com
www.freshfields.com

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Our Ref

163511-0001 CHWR

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LON36931278/2 163511-0001

the French law master agreements referred to in our letter dated 6 July 2015. In this respect, we refer you to our letter dated 23 May 2014 in relation to costs, and repeat the points made therein.

5. If, despite the fact that the issues relating to French law master agreements were included in the Waterfall II application at the request of the Joint Administrators, the Joint Administrators are content to limit the scope of the French law issues as suggested in Kirkland & Ellis' letter, the Senior Creditor Group does not object to this. We would suggest though that, to avoid any further confusion on the part of our experts, a revised issues list be prepared and agreed by the parties before being put to the experts.
6. However, we would note that such late amendments to the scope of the French law expert reports may impact upon the date on which the report of the Senior Creditor Group's expert of French law can be finalised. Indeed, we do not intend to serve and file the report until we have a response from Linklaters in relation to Kirkland & Ellis' letter of 7 July.

Yours faithfully

Freshfields Bruckhaus Deringer LLP

Freshfields Bruckhaus Deringer LLP

CC BY EMAIL

FAO: Charles Maunder
Michelmores LLP
48 Chancery Lane
London WC2A 1JF

KIRKLAND & ELLIS INTERNATIONAL LLP

Partha Kar/Kon Asimacopoulos
To Call Writer Directly:
+44 20 7469 2350/ +44 20 7469 2230
partha.kar@kirkland.com/
kon.asimacopoulos@kirkland.com

30 St Mary Axe
London
EC3A 8AF
Telephone: +44 20 7469 2000
www.kirkland.com

Facsimile:
+44 20 7469 2001

8 July 2015

BY EMAIL

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
Attention: Christopher Robinson / Look Chan Ho
christopher.robinson@freshfields.com / lookchan.ho@freshfields.com

Dear Sirs,

Waterfall II – Distribution of Surplus Application: Part C (the “Application”)

1. We write further to your letters of 30 January 2015, 24 June, 6 July and 8 July 2015, to Linklaters’ letter dated 12 June 2015, 19 June 2015 and 3 July 2015 and our letters dated 1 and 30 June 2015 and 7 July 2015. The purpose of this letter is to highlight certain facts which would appear to render many if not all of the French law issues academic.

Issue 23

2. At paragraph 23(1) of your position paper, as regards the FBF and AFB master agreements, you stated that a transferee might claim by reference to its overnight refinancing rate, from the date of the transfer, if the transfer “*has been effected by means of a cession de contrat under French law (but not otherwise)*”.
3. We had accordingly understood that you did not contend a transferee could make a claim under the FBF and AFB master agreements by reference to its overnight refinancing rate had the transfer been effected by a *cession de creance*. We had therefore written to you on 27 January 2015 to suggest that Issue 23 may not in fact be in dispute between the parties, as we had assumed that the majority of claims under French law would be claims under the FBF and AFB master agreement.
4. By your letter of 30 January 2015 you made the point, at paragraph 9, that your client would distinguish between the AFTB and AFTI master agreements, on the one hand, and the FBF and AFB master agreements, on the other hand. As to the former you said would maintain your case that a transferee might claim more, even if a transferee by a *cession de creance*, because of the references to “payee” and “recipient”. As to

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IS A MULTINATIONAL PRACTICE, THE PARTNERS OF WHICH ARE SOLICITORS OR REGISTERED FOREIGN LAWYERS (ADMITTED IN THE U.S. AND OTHER JURISDICTIONS), AND IS AUTHORIZED AND REGULATED BY THE SOLICITORS REGULATION AUTHORITY (SRA NUMBER 349107). A LIST OF THE PARTNERS, GIVING EACH PARTNER'S PROFESSIONAL QUALIFICATION AND JURISDICTION OF QUALIFICATION IS OPEN TO INSPECTION AT THE ADDRESS ABOVE.

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AVL13 - Page 107 of 144

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KIRKLAND & ELLIS INTERNATIONAL LLP

8 July 2015

Page 2

the latter, you agreed that the claim of the transferee was capped at the overnight refinancing rate of the transferor, except from the date of any *cession de contrat*. You wrote:

“Under the FBF and AFB Master Agreement, it is the “Party” to the agreement that is entitled to claim interest. In that case, where a transfer has occurred by way of cession de creance, the Senior Creditor Group accepts that the value of the entitlement of the transferee to claim interest is capped by the entitlement of the original counterparty, being the “Party” under the relevant Master Agreement.”

5. The questions for the experts were therefore settled, and Issue 23 remains a live issue, because of the AFTB and AFTI master agreements. It has been clear from 30 January 2015 that there is no dispute between the parties as regards the FBF and AFB master agreements in respect of Issue 23.
6. By their letter of 12 June 2015, Linklaters provided us with information that the aggregate value of the claims in respect of the AFTB and AFTI master agreements is little over £1.2m and that the claims under FBF and AFB master agreements compromise 99.48% by value of the claims governed by French law relevant to the Application.
7. Linklaters had, in their letter, questioned the relevance of the requested information to the issues of construction before the Court. It should however be abundantly clear that: -
 - (a) There is no issue of economic significance to the distribution of the surplus as regards the AFTB and AFTI master agreements. The essential dispute is about whether there is a basis to claim interest at a rate above 8% per annum. It is simply not worth the candle to litigate Issue 23 in relation to proved debts with an aggregate value of £1.2m. The Application is intend to resolve issues which impede the distribution of a surplus of billions. We refer to our letter of 7 July and repeat our view that it would not be appropriate to maintain the issues in respect of the AFTB and AFTI master agreements as part of the Application.
 - (b) There is no issue in dispute between the parties in connection with Issue 23 as regards the FBF and AFB master agreement. We agree that where a claim under these master agreements is transferred by a *cession de creance* (but not by a *cession de contrat*), the late payment interest is capped at the overnight refinancing rate of LBIE’s original counterparty.
8. On this basis, we consider that Issue 23 must fall way. We should be grateful for confirmation of your agreement on this point.

KIRKLAND & ELLIS INTERNATIONAL LLP

8 July 2015

Page 3

Issue 24

9. As regards Issue 24, we are presently considering our position as to whether it is commercially important in the context of the distribution of the surplus to make the case that, as regards Euro denominated claims, the rate that can be claimed is confined to a rate based on EONIA or another published rate such as that of the European Central Bank.
10. On this issue, we understand your case, as regards the FBF and AFB master agreements, to be that the relevant rates are to be determined by reference to the overnight refinancing rate which would have been offered to the Party by prime market participants at the relevant time for borrowing a sum equivalent to the termination sum. This is stated in paragraph 24 of your reply position paper.
11. In this respect, we should be grateful if you would confirm our understanding of your case.
12. If we have correctly understood your position, it seems inherently unlikely that a rate in excess of 8% per annum can be claimed. This is because overnight rates are amongst the lowest commercially available and have been throughout the relevant period.

Issues 22, 25 and 26

13. As previously noted, there does not appear to be a dispute between the parties as regards these issues.
14. Accordingly, it appears that the French law issues may be disposed of without the need for any adjudication or any expert evidence.
15. We agree with you insofar as French expert reports should not be served this Friday given these outstanding issues and we would therefore invite you first to agree an extension of the time for filing of the French expert reports to 4pm on Friday 17 July 2015 and to respond to this letter by 4pm this Friday. This should allow you sufficient time to consider the issues and, if you are in agreement, to enable the parties to dispose of the French law issues by consent.

Yours faithfully,

Kirkland & Ellis International LLP

Kirkland & Ellis International LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

8 July 2015

Page 4

COPIED TO:

Linklaters LLP
1 Silk Street
London EC2Y 8HQ
Attention: Tony Bugg / Euan Clarke
tony.bugg@linklaters.com / euan.clarke@linklaters.com

Michelmores LLP
48 Chancery Lane
London WC2Y 1JF
Attention: Charles Maunder / Peter Sigler
charles.maunder@michelmores.com / peter.sigler@michelmores.com

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

F.A.O. Christopher Robinson
Kirkland & Ellis International LLP
30 St Mary Axe
London
EC3A 8AF

F.A.O. Partha Kar and Kon Asimacopoulos

By Email

9 July 2015

Our Ref Tony Bugg/Patrick Robinson/Airlie Goodman

Dear Sirs

Waterfall II Application (the “Application”) – French law Master Agreements

1. We refer to Kirkland & Ellis' letters of 7 and 8 July 2015 and Freshfields' letter of 8 July 2015.
2. The Joint Administrators are content to limit the scope of the French law Issues and remove consideration of the AFTI and AFTB agreements (which were originally included at Wentworth's request) from the Application. The Joint Administrators are also content for the single non-euro claim under the FBF Master Agreement to be disregarded for the purpose of the Application. We agree that it is proportionate to remove these questions from the scope of the Application.
3. The Joint Administrators do not consider it appropriate to remove all the French law Issues from the Application at this stage, as suggested by Wentworth in their letter of 8 July 2015. The French law expert reports are presumably already nearly finalised subject to any amendments to remove consideration of the AFTI and AFTB agreements and should be served on Friday 10 July 2015. The Joint Administrators do not consider there to be any reason why the reports should not be served as ordered by the Court given that the majority of the preparatory work has already been completed and the relevant costs have already been incurred.
4. Following service of the reports, the parties can then consider in detail whether the French law Issues are in fact already agreed as between Wentworth and the Senior Creditor Group and if appropriate, further reduce the scope of these Issues in the Application. However, in our view there should be no delay in the service of the reports whilst the proposed withdrawal of the French

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law Issues, which have now been narrowed considerably, is debated. In the event that the parties were to delay service of the expert reports as suggested by Wentworth without subsequently agreeing to remove the French law Issues from the Application, considerable time may have been lost which is not acceptable in the current timetable.

5. Your experts should be instructed to consider Issues 22-26 in respect of the euro-claims under the AFB and FBF agreements only. We will prepare a list of amended Issues and French law expert questions on this basis but such preparation should not delay service of the expert reports. Notwithstanding the deletion of the relevant parts of the Issues, it of course remains open to the parties, should they wish to do so, to refer to the terms of the AFTI and/or AFTB in expert evidence and submissions in responding the surviving parts of the questions.

Yours faithfully

A handwritten signature in blue ink that reads "Linklaters LLP".

Linklaters LLP

cc: Michelmores LLP
48 Chancery Lane
London
WC2A 1JF

F.A.O. Charles Maunder and Peter Sigler

Update – Waterfall II Application (the “Application”) – Third Tranche Hearing - Publication of Foreign Law Expert Reports - 13 August 2015

Further to the order of Mr Justice David Richards following the case management conference held on 9 March 2015 (the “Order”), and in respect of Tranche C of the Application, Wentworth and the Senior Creditor Group have to date filed the following reports of experts in New York, German and French law in response to the questions set out in Schedules B, C and D, respectively, of the Order (available here (</assets/pdf/cmc-order-dated-9-march-2015.pdf>)).

New York law

- for Wentworth, the Expert Opinion of the Hon. Robert S. Smith, dated 26 June 2015 (</assets/pdf/ww-ny-law-expert-opinion-of-hon-robert-s-smith.pdf>);
- for the Senior Creditor Group, the Expert Opinion of Professor Neil B. Cohen, dated 24 July 2015 (</assets/pdf/scg-ny-law-expert-opinion-of-professor-neil-b-cohen.pdf>);
- for Wentworth, the Hon. Robert S. Smith’s reply to the Expert Opinion of Professor Neil B. Cohen, dated 14 August 2015 (</assets/pdf/ww-ny-law-expert-reply-opinion-of-robert-s-smith.pdf>).

German law

- for the Senior Creditor Group, the Expert Opinion of Professor Peter O. Mülbert, dated 10 July 2015 (</assets/pdf/scg-german-law-expert-opinion-of-peter-o-mulbert.pdf>);
- for Wentworth, the Expert Opinion of Dr Gero Fischer, dated 10 July 2015 (</assets/pdf/ww-german-law-expert-opinion-of-dr-gero-fischer-dated-10july-2015.pdf>), the English translation starts on page 35;
- for the Senior Creditor Group, Professor Peter O. Mülbert’s reply to the Expert Opinion of Gero Fischer, dated 31 July 2015 (</assets/pdf/scg-german-law-expert-report-of-professor-peter-o-mulberts-reply-to-the-expert-opinion-of-gero-fischer-dated-31-july-2015.pdf>);
- for Wentworth, Dr Gero Fischer’s reply to the Expert Opinion of Professor Peter O. Mülbert, dated 31 July 2015 (</assets/pdf/ww-german-law-expert-opinion-of-dr-gero-fischers-reply-to-professor-peter-o-mulbert-dated-31july-2015.pdf>), the English translation starts on page 15.

French law

- for the Senior Creditor Group, the Expert Opinion of Professor Hervé Synvet, dated 10 July 2015 (</assets/pdf/scg-french-law-expert-opinion-of-professor-herve-synvet-dated-10july-2015.pdf>);
- for Wentworth, the Expert Opinion of Professor Thierry Bonneau, dated 10 July 2015 (</assets/pdf/ww-french-law-expert-opinion-of-professor-thierry-bonneau-dated-10july2015.pdf>), the English translation starts on page 40;
- for the Senior Creditor Group, Professor Hervé Synvet’s reply to the Expert Opinion of Professor Thierry Bonneau, dated 31 July 2015 (/assets/pdf/scg-french-law-expert-opinion-of-professor-herve-synvets-reply-to-professor-thierry-bonneau-dated_31july-2015.pdf);
- for Wentworth, Professor Thierry Bonneau’s reply to the Expert Opinion of Professor Hervé Synvet’s, dated 31 July 2015 (</assets/pdf/ww-french-law-expert-opinion-of-professor-thierry-bonneaus-reply-to-professor-herve-synvets-dated-31july-2015.pdf>), the English translation starts on page 11.

The Joint Administrators propose to make available on this website any further foreign law expert reports filed by the Senior Creditor Group, Wentworth or the Joint Administrators in due course.

Should you have any queries regarding this update, please contact LBIE’s Communications and Counterparty Management team at generalqueries@lbia-eu.com (<mailto:generalqueries@lbia-eu.com>).

LBIE (</services/business-recovery/administrations/lehman.html>)



Update - Waterfall II Application (the "Application") - Third Tranche Hearing - Publication of Foreign Law Expert Reports

Graham D Frost to: david, Edward Middleton, M Ogilvie,
Owen Littman, Peter Sherratt,
philwallace, Geraghty, Ron, Rosalie
Cc: Tony Lomas, Lesley Bingham

14/08/2015 15:05

Sent on behalf of Tony Lomas

Dear all

Update – Waterfall II Application (the "Application") – Third Tranche Hearing - Publication of Foreign Law Expert Reports

Further to the order of Mr Justice David Richards following the case management conference held on 9 March 2015 (the "Order"), and in respect of Tranche C of the Application, Wentworth and the Senior Creditor Group have filed reports of experts in New York, German and French law in response to the questions set out in Schedules B, C and D, respectively, of the Order (available [here](#)). Yesterday, we posted on to the LBIE website Wentworth's and the Senior Creditor Group's reports of experts in New York, German and French law.

A link to Wentworth's and the Senior Creditor Group's reports of experts in New York, German and French law, as posted on the LBIE website, can be found here:

<http://www.pwc.co.uk/business-recovery/administrations/lehman/update-waterfall-ii-application-third-tranche-hearing-publication-of-foreign-law-expert-reports-13-august-2015.jhtml>

Kind regards
Tony

Graham D Frost

PwC
Mobile: 07740923148
Email: graham.d.frost@uk.pwc.com
PricewaterhouseCoopers LLP

From: General Queries

Sent: Friday, August 14, 2015 4:12 PM

To:

Subject: Update – Waterfall II Application (the “Application”) – Third Tranche Hearing - Publication of Foreign Law Expert Reports - 14/08/2015

For your information, further to the order of Mr Justice David Richards following the case management conference held on 9 March 2015 ([the Order](#)), Wentworth and the Senior Creditor Group filed reports of experts in New York, German and French law in response to the questions set out in Schedules B, C and D, respectively, of the Order. Yesterday, we posted on to the LBIE website Wentworth’s and the Senior Creditor Group’s reports of experts in New York, German and French law.

Please click here [here](#) to view the following Wentworth and the Senior Creditor Group reports of experts in New York, German and French Law.

Should you have any queries on this update please contact generalqueries@lbia-eu.com.

Thank you

Communications and Counterparty Management



BY EMAIL

FAO: Tony Bugg and Euan Clarke
Linklaters LLP
1 Silk Street
London EC2Y 8HQ

FAO: Partha Kar and Kon Asimacopoulos
Kirkland & Ellis International LLP
30 St Mary Axe
London EC3A 8AF

London

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
T +44 20 7936 4000 (Switchboard)
+44 20 7785 5781 (Direct)
F +44 20 7108 5781
LDE No 23
E christopher.robinson@freshfields.com
www.freshfields.com

Doc ID

LON37699100

Our Ref

163511-0001 CHWR

28 August 2015

Dear Sirs

In The Matter of Lehman Brothers International (Europe) (In Administration) And In The Matter of the Insolvency Act 1986 (No. 7942 of 2008) (Waterfall II) – French Law Issues

This letter is sent on behalf of CVI GVF (Lux) Master Sarl, Hutchinson Investors LLC, Burlington Loan Management Limited, and their relevant affiliates (the *Senior Creditor Group*) and has been approved by Ropes & Gray International LLP and Schulte Roth & Zabel International LLP.

We refer to:

- Kirkland & Ellis International LLP's letter of 25 August 2015; and
 - Linklaters LLP's letter of 26 August 2015.
1. We attach (i) a revised draft of the agreed positions; and (ii) a delta-view against what we understand to be Kirkland's suggested revisions. We have accepted the majority of Kirkland's suggested amendments and made some clarificatory changes, which we do not believe will be controversial.
 2. We have not accepted Kirkland's suggestion to refer to "market participants" (in Questions 24 and 25) as "prime market participants". Although the Senior Creditor Group referred to "prime market participants" in its reply position paper, the Senior Creditor Group has since discussed this expression with Professor Synvet and adopts his view that: (i) neither the FBF Master Agreement nor the AFB Master Agreement uses this expression; and (ii) it is not necessary, when determining the overnight

refinancing rate of a party, to limit this to borrowing rates provided by "prime" market participants (and indeed it is not clear what this expression actually means).

3. Please would Kirkland confirm that the attached statement now represents the final statement of agreed position between Wentworth the Senior Creditor Group on the French Law Issues.
4. We look forward to the Joint Administrators' confirmation in due course as to how they intend to deal with the French Law Issues.

Yours faithfully

Freshfields Bruckhaus Deringer LLP

Freshfields Bruckhaus Deringer LLP

CC BY EMAIL

FAO: Charles Maunder
Michelmores LLP
48 Chancery Lane
London WC2A 1JF

Agreed positions on French Law Questions¹

Question 22: Whether default interest pursuant to clause 9.1 of the FBF Master Agreement and the AFB Master Agreement are capable of being a “rate applicable to the debt apart from the administration” for the purposes of Rule 2.88(9).

Agreed answer: Default interest pursuant to clause 9.1 of the FBF Master Agreement and the AFB Master Agreement is capable of being a “rate applicable to the debt apart from the administration” for the purposes of Rule 2.88(9).

Question 23: Whether the “party” that receives the interest referred to in question 22 above pursuant to the FBF Master Agreement and the AFB Master Agreement refers to LBIE’s original counterparty or to a third party to whom LBIE’s original counterparty has transferred (by assignment or otherwise) its rights under the relevant agreements.

Agreed answer:

1. In the case of a *cession de contrat* (transfer of agreement) under French law (which would not be relevant following the termination of the agreement and cannot be used to transfer a close-out amount), the rate of interest payable under clause 9.1 of the FBF and AFB Master Agreement is calculated by reference to the overnight refinancing rate of the original contractual counterparty (compounded annually if overdue for at least one year) for the period before the date of the relevant transfer and by reference to the overnight refinancing rate of the third party (compounded annually if overdue for at least one year) for any period after the date of the relevant transfer.
2. In the case of a *cession de créance* (transfer of claim) under French law, the rate of interest payable under clause 9.1 of the FBF and AFB Master Agreement is calculated by reference to the overnight refinancing rate of the original contractual counterparty (compounded annually if overdue for at least one year) whether before or after the date of the relevant transfer.

Question 24: Whether the terms “overnight refinancing rate of the Party” in clause 9.1 as it appears in the FBF Master Agreement and the AFB Master Agreement should only be ascertained with reference to the actual or asserted cost of the payee or may be ascertained in other ways.

Agreed answer: The “overnight refinancing rate of the Party” in clause 9.1 as it appears in the FBF Master Agreement and the AFB Master Agreement is a question of fact to be determined objectively and by reference to the relevant overnight refinancing rates which would have been offered to the original contracting party by market participants at the relevant time if not specified by the parties in the schedule to the relevant AFB or FBF master agreement or otherwise.

¹ Questions have been amended, as per the agreement between the parties, to remove references to the AFTB and AFTI Master Agreements.

Question 25: Whether only the “party” pursuant to question 23 or another party authorised to act on behalf of the “party” can provide determination and notification of its [overnight refinancing rate]².

Agreed answer: The “overnight refinancing rate” in clause 9.1 of the FBF and AFB Master Agreements is a question of fact to be determined objectively and by reference to the relevant overnight refinancing rates which would have been offered to the original contracting party by market participants at the relevant time if not specified by the parties in the schedule to the relevant AFB or FBF master agreement or otherwise. The “party” pursuant to question 23 above or another entity expressly or impliedly authorised to act on behalf of the “party” can provide determination and notification of the same.

Question 26: What is the applicable standard, if any, by reference to which any statement by the party as to its “overnight refinancing rate” is constrained?

Agreed answer: The statement by the person identified pursuant to the answer to question 25 can be challenged by the defaulting party on the basis of manifest error, fraud or lack of good faith (which includes a duty of loyalty).”

² Issue 25 uses the expression “cost of funding” but we think this was used in error given that the FBF and AFB Master Agreements do not use this expression.



BY EMAIL

FAO: Tony Bugg and Euan Clarke
Linklaters LLP
1 Silk Street
London EC2Y 8HQ

FAO: Partha Kar and Kon Asimacopoulos
Kirkland & Ellis International LLP
30 St Mary Axe
London EC3A 8AF

London

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
T +44 20 7936 4000 (Switchboard)
+44 20 7785 5781 (Direct)
F +44 20 7108 5781
LDE No 23
E christopher.robinson@freshfields.com
www.freshfields.com

Doc ID
LON37769962

Our Ref
163511-0001 CHWR

4 September 2015

Dear Sirs

In The Matter of Lehman Brothers International (Europe) (In Administration) And In The Matter of the Insolvency Act 1986 (No. 7942 of 2008) (Waterfall II) – French Law Issues

This letter is sent on behalf of CVI GVF (Lux) Master Sarl, Hutchinson Investors LLC, Burlington Loan Management Limited, and their relevant affiliates (the *Senior Creditor Group*) and has been approved by Ropes & Gray International LLP and Schulte Roth & Zabel International LLP.

We refer to:

- Linklaters LLP's letter of 26 August 2015;
- our letter of 28 August 2015; and
- Kirkland & Ellis International LLP's letter of 2 September 2015.

Agreed Position as to French Law

1. Under the FBF and AFB Master Agreements, the calculation of the Replacement Value and the calculation of default interest on overdue amounts are entirely different concepts with different purposes. It is therefore no surprise that the FBF and AFB Master Agreements refer to 'prime market participants' in the context of the former but not the latter.
2. The calculation of the Replacement Value is part of the valuation of the close-out

amount under the relevant agreement at the Termination Date. The purpose of the Replacement Value calculation is to determine, based on quotations for replacement transactions obtained from prime market participants in the relevant market, what it would have cost a hypothetical counterparty (or what the Non-Defaulting Party would have to pay the hypothetical counterparty) to assume as from the Termination Date the whole of the financial rights and obligations of the Defaulting Party under each transaction under the relevant agreement. There are several reasons why the quotations need to come from a prime market participant. First, in order to be able to provide the replacement values, the market participants need to have the knowledge and teams able to model the cash flows or assess the risk (this is particularly true for complex trades). Not all market participants will have this capability (especially in abnormal market conditions). Secondly, because the calculation is hypothetical, the requirement is for a Non-Defaulting Party to approach two **prime** market participants to ensure that the quotations are fair (and not, for example, calculated by reference to a sub-prime party who could potentially give a higher quotation reflective of its own risk profile presuming it has the relevant knowledge and teams able to model the cash flows or assess the risk).

3. Conversely, calculation of the default rate applicable to a late payment under Article 9 is a much simpler calculation and for a very different purpose. Whereas the purpose of determining a Replacement Value is to facilitate determination of the close-out amount, the purpose of determining the default rate is to compensate the Non-Defaulting Party for the delay in receiving its money. Unlike the Replacement Value, the rate payable is tied to the overnight refinancing rate of the party entitled to receive the relevant amount, in the relevant currency (plus one per cent) which can be determined objectively, regardless of whether the Non-Defaulting Party does in fact incur any such borrowing. There is no obligation, explicit or implied in either the FBF or the AFB Master Agreements, for such overnight refinancing rate to be determined by reference to a prime market participant. No particular knowledge, market trading capability or risk calculation capability is required for a party to provide overnight funding to the relevant party and there are no grounds for limiting to prime market participants the types of parties who might provide such refinancing.
4. Furthermore, where the draftsman has felt it necessary in one definition to refer specifically to 'prime market participants' but has not repeated this formulation in Article 9 or in the definitions referred to it, it cannot be implied that they intended for this meaning to apply in all other contexts. To the contrary, if the draftsman had intended for the overnight refinancing rate of the party to be that which would have been offered to such party by **prime** market participants at the relevant time, the draftsman would have said so (as he/she did in the definition of Replacement Value).
5. For these reasons and those set out in previous correspondence, we think it is inappropriate to describe 'market participants' as 'prime market participants' in the questions 24 and 25 Agreed Position. In the interests of settling these positions prior to the proposed meeting of the French experts on 9 September 2015 (and to enable the Joint Administrators to take the steps set out in their letter of 26 August 2015 without further delay) please would Kirkland confirm that the draft Agreed Position attached to our letter of 28 August 2015 is now agreed by Wentworth.

6. The Senior Creditor Group confirms that if, following the Joint Administrators' notice referred to in Linklaters' letter of 26 August, no creditor wishes to take issue with the Agreed Position and the Joint Administrators conclude that the Court should not be required to determine any of the French Issues, the Senior Creditor Group will be bound by the Agreed Position in respect of the admitted Euro claims under the FBF and AFB Master Agreements. The Senior Creditor Group notes that the admitted non-Euro claims under the FBF Master Agreement and the admitted claims under the AFTB and AFTI Master Agreements were excluded from the scope of the Application by agreement of the parties and that the entitlements of counterparties under these agreements will be determined on a case by case basis.

Yours faithfully

A handwritten signature in black ink that reads "Freshfields Bruckhaus Deringer LLP". The script is cursive and fluid, with the letters connected in a continuous line.

Freshfields Bruckhaus Deringer LLP

CC BY EMAIL

FAO: Charles Maunder
Michelmores LLP
48 Chancery Lane
London WC2A 1JF

KIRKLAND & ELLIS INTERNATIONAL LLP

Partha Kar/Kon Asimacopoulos
To Call Writer Directly:
+44 20 7469 2350/ +44 20 7469 2230
partha.kar@kirkland.com/
kon.asimacopoulos@kirkland.com

30 St Mary Axe
London
EC3A 8AF
Telephone: +44 20 7469 2000
www.kirkland.com

Facsimile:
+44 20 7469 2001

11 September 2015

BY EMAIL

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
Attention: Christopher Robinson / Look Chan Ho
christopher.robinson@freshfields.com / lookchan.ho@freshfields.com

Linklaters LLP
1 Silk Street
London EC2Y 8HQ
Attention: Tony Bugg / Euan Clarke
tony.bugg@linklaters.com / euan.clarke@linklaters.com

Dear Sirs,

Waterfall II, Part C – French law issues

1. We write further to Freshfields' letter dated 4 September 2015, our letter dated 2 September 2015, Freshfields' letter dated 28 August enclosing a revised draft of the agreed positions (the "**Agreed Positions**") and Linklaters' letter dated 26 August 2015 (the "**Linklaters' Letter**").
2. As with its case in respect of EONIA, without prejudice to the correct position as a matter of French law, Wentworth confirms that it no longer intends to pursue its case in respect of "*prime*" market participants. Given the otherwise Agreed Positions between Wentworth and the Senior Creditor Group in respect of Issues 23 and 24, in particular that the relevant rate is "*...to be determined objectively and by reference to the relevant overnight refinancing rates which would have been offered to the original contracting party by market participants...*", Wentworth considers it would be disproportionate to the likely economic relevance of the point to pursue it in the context of this Application. Accordingly, Wentworth proposes no further amendment to the Agreed Positions.

KIRKLAND & ELLIS INTERNATIONAL LLP

IS A MULTINATIONAL PRACTICE, THE PARTNERS OF WHICH ARE SOLICITORS OR REGISTERED FOREIGN LAWYERS (ADMITTED IN THE U.S. AND OTHER JURISDICTIONS), AND IS AUTHORIZED AND REGULATED BY THE SOLICITORS REGULATION AUTHORITY (SRA NUMBER 349107). A LIST OF THE PARTNERS, GIVING EACH PARTNER'S PROFESSIONAL QUALIFICATION AND JURISDICTION OF QUALIFICATION IS OPEN TO INSPECTION AT THE ADDRESS ABOVE.

ASSOCIATED OFFICES

Beijing Chicago Hong Kong Los Angeles Munich New York Palo Alto San Francisco Shanghai Washington, D.C.
KE 95504920.1

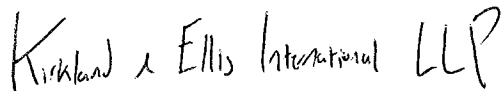
KIRKLAND & ELLIS INTERNATIONAL LLP

11 September 2015

Page 2

3. Wentworth confirms that if, following the Joint Administrators' notice referred to in the Linklaters' Letter, no creditor wishes to take issue with the Agreed Positions and the Joint Administrators conclude that the Court should not be required to determine any of the French Issues, Wentworth will be bound by the Agreed Positions in respect of the admitted Euro claims under the FBF and AFB Master Agreements.
4. Wentworth notes that the admitted non-Euro claims under the FBF Master Agreement and the admitted claims under the AFTB and AFTI Master Agreements were excluded from the scope of the Application by agreement of the parties and that the entitlements of counterparties under these agreements will be determined on a case by case basis.

Yours faithfully,



Kirkland & Ellis International LLP

COPIED TO:

Michelmores LLP
48 Chancery Lane
London WC2Y 1JF

Attention: Charles Maunder / Peter Sigler

charles.maunder@michelmores.com / peter.sigler@michelmores.com

Update – Waterfall II Application (the “Application”) – French law issues - 14 September 2015

The LBIE Administrators refer to Issues 22 to 26 of the Application (<http://www.pwc.co.uk/services/business-recovery/administrations/lehman/update-waterfall-ii-application-amended-application-notice-19-may-2015.html>) (the “French Law Issues”) and the order (</assets/pdf/cmc-order-dated-9-march-2015.pdf>) of Mr Justice David Richards following the case management conference held on 9 March 2015 (the “Order”).

The French Law Issues were included in the Application in order to address issues arising from the AFB Master Agreement, the AFTB Master Agreement, the AFTI Master Agreement and the FBF Master Agreement, as those terms are defined in the Application.

Pursuant to the Order, the Senior Creditor Group and Wentworth each served position papers covering the French Law Issues and reports of experts in French law. Copies of the position papers and expert reports were published on the LBIE website and are available here (</services/business-recovery/administrations/lehman/waterfall-ii-application.html>).

The purpose of this update is to inform creditors of recent developments in respect of the French Law Issues and to request that they contact the LBIE Administrators should they take issue with the proposed course of action set out under Section 1.

Section 1 – AFB Master Agreement and FBF Master Agreement

On 11 September 2015, the Senior Creditor Group and Wentworth advised the LBIE Administrators of their agreed position in respect of the French Law Issues, insofar as the issues concerned the Euro-denominated claims arising under the AFB Master Agreement and the FBF Master Agreement (the “Agreed Position”). A copy of the Agreed Position is available here (</assets/pdf/waterfall-ii-agreed-positions-french-issues.pdf>).

In light of the above, the LBIE Administrators’ current intention is to take appropriate steps at the Pre-Trial Review of the Tranche C trial on 9 October 2015 in order to effect the withdrawal of all French Law Issues from the Application.

The LBIE Administrators intend to deal with the assessment of creditors’ claims to interest arising out of the AFB Master Agreement and the FBF Master Agreement in accordance with the Agreed Position. Any creditor which disagrees with the Agreed Position (or a part of it) or wishes to take issue with the LBIE Administrators’ approach to dealing with the assessment of its claim to interest arising out of the AFB Master Agreement and FBF Master Agreement, as outlined above, should contact the LBIE Administrators at unsecuredcreditors@lbia-eu.com (<mailto:unsecuredcreditors@lbia-eu.com>) as soon as possible and in any event by no later than 4.00pm on 7 October 2015.

Section 2 – AFTB Master Agreement and AFTI Master Agreement

The Senior Creditor Group and Wentworth have proposed to the LBIE Administrators that the removal of the questions relating to the AFTB Master Agreement and the AFTI Master Agreement be removed from the Application. The proposal was made because the total principal value of the five claims under the two master agreements is approximately £1.2 million and, accordingly, de minimis to the Application. The LBIE Administrators’ view is that it would be disproportionate to deal with the five claims at the Tranche C trial and, accordingly, have agreed to the proposal advanced by the Senior Creditor Group and Wentworth.

Regarding the AFTB Master Agreement and the AFTI Master Agreement, the LBIE Administrators intend to deal with the assessment of creditors’ claims to interest arising out of those two master agreements on a case-by-case basis in the course of the LBIE administration. Should you have any queries regarding this update, please contact LBIE’s Communications and Counterparty Management team at generalqueries@lbia-eu.com (<mailto:generalqueries@lbia-eu.com>).

LBIE (</services/business-recovery/administrations/lehman.html>)



Update - Waterfall II Application (the "Application") - French law issues

Lesley Bingham to: david, Edward Middleton, M Ogilvie,
Owen Littman, Peter Sherratt,
philwallace, Geraghty, Ron, Rosalie
Cc: Tony Lomas, Graham D Frost

14/09/2015 15:03

Sent on behalf of Tony Lomas

Dear all

The LBIE Administrators refer to Issues 22 to 26 of the [Application](#) (the "French Law Issues") and the [order](#) of Mr Justice David Richards following the case management conference held on 9 March 2015 (the "Order").

Today, the LBIE Administrators published on the LBIE website an update to creditors concerning recent developments in respect of the French Law Issues. A link to the update can be found by clicking [here](#).

Kind regards
Tony

Lesley Bingham | Business Recovery Services, PricewaterhouseCoopers LLP

7 More London, Riverside, London SE1 2RT | +44 (0) 207 804 4598 | lesley.bingham@uk.pwc.com

For matters relating to Lehman Brothers entities in administration | Direct: +44 (0)20 3036 2661 | Level 24, 25 Canada Square, London E14 5LQ

AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr were appointed as Joint Administrators of Lehman Brothers International (Europe) to manage its affairs, business and property as agents without personal liability. AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

From: General Queries

Sent: Monday, September 14, 2015 4:19 PM

To:

Subject: Update – Waterfall II Application (the “Application”) – French law issues - 14 September 2015

Dear Sir,

The LBIE Administrators refer to Issues 22 to 26 of the [Application](#) (the “French Law Issues”) and the [order](#) of Mr Justice David Richards following the case management conference held on 9 March 2015 (the “Order”).

The French Law Issues were included in the Application in order to address issues arising from the AFB Master Agreement, the AFTB Master Agreement, the AFTI Master Agreement and the FBF Master Agreement, as those terms are defined in the Application.

Pursuant to the Order, the Senior Creditor Group and Wentworth each served position papers covering the French Law Issues and reports of experts in French law. Copies of the position papers and expert reports were published on the LBIE website and are available [here](#).

The purpose of this update is to inform you of recent developments in respect of the French Law Issues.

Section 1 – AFB Master Agreement and FBF Master Agreement

On 11 September 2015, the Senior Creditor Group and Wentworth advised the LBIE Administrators of their agreed position in respect of the French Law Issues, insofar as the issues concerned the Euro-denominated claims arising under the AFB Master Agreement and the FBF Master Agreement (the “Agreed Position”). Please click [here](#) to view a copy of the Agreed Position, which was also posted on the LBIE website today.

In light of the above, the LBIE Administrators’ current intention is to take appropriate steps at the Pre-Trial Review of the Tranche C trial on 9 October 2015 in order to effect the withdrawal of all French Law Issues from the Application.

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Regarding the AFTB Master Agreement and the AFTI Master Agreement, the LBIE Administrators intend to deal with the assessment of creditors’ claims to interest arising out of those two master agreements on a case-by-case basis in the course of the LBIE administration.

Should you have any queries on this update please contact generalqueries@lbia-eu.com.

Thank you

Communications and Counterparty Management

AV Lomas, SA Pearson, PD Copley, R Downs and JG Parr, (together “the Joint Administrators”) were appointed as Joint Administrators of Lehman Brothers International (Europe) to manage its affairs, business and property as agents without personal liability.

The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and are Data Controllers of personal data as defined by the Data Protection Act 1998.

PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

If this e-mail relates to another Lehman Brothers entity where the Administrators or Liquidators are from PricewaterhouseCoopers LLP, please click below and select the relevant company in the list provided.

<http://www.pwc.co.uk/business-recovery/administrations/lehman/lehmans-stakeholder-companies-in-administration.jhtml>

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IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF LEHMAN BROTHERS INTERNATIONAL (EUROPE)
(IN ADMINISTRATION)

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN:

(1) ANTHONY VICTOR LOMAS

(2) STEVEN ANTHONY PEARSON

(3) PAUL DAVID COPLEY

(4) RUSSELL DOWNS

(5) JULIAN GUY PARR

(THE JOINT ADMINISTRATORS OF LEHMAN BROTHERS INTERNATIONAL (EUROPE)
(IN ADMINISTRATION))

Applicants

-and-

(1) BURLINGTON LOAN MANAGEMENT LIMITED

(2) CVI GVF (LUX) MASTER S.À.R.L

(3) HUTCHINSON INVESTORS, LLC

(4) WENTWORTH SONS SUB-DEBT S.À.R.L

(5) YORK GLOBAL FINANCE BDH, LLC

Respondents

RE-AMENDED APPLICATION PURSUANT TO THE ORDER OF
MR JUSTICE DAVID RICHARDS DATED 9 MARCH 2015 AND TO THE ORDER OF MR
JUSTICE HILDYARD DATED 9 OCTOBER 2015

TAKE NOTICE that Anthony Victor Lomas, Steven Anthony Pearson, Paul David Copley, Russell Downs and Julian Guy Parr, in their capacity as the joint administrators of Lehman Brothers International (Europe) (in administration) ("**LBIE**") (the "**Joint Administrators**"), all of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, intend to apply to the Judge on:-

Date: 25 June 2014

Time:

Place: Court , 7 Rolls Buildings, Fetter Lane, London EC4A 1NL

For directions, pursuant to paragraph 63 of Schedule B1 of the Insolvency Act 1986, determining the following issues which are to be read with reference to the definitions contained in the Schedule hereto:

Statutory Interest

Construction of Rule 2.88

- 1 Whether on the true construction of Rule 2.88(7) of the Rules, Statutory Interest is payable on a simple or compound basis where the rate applicable is the rate specified in section 17 of the Judgments Act 1838? If payable on a compound basis, with what frequency is it to be compounded?
- 2 Whether on the true construction of Rule 2.88(7) of the Rules, Statutory Interest is calculated on the basis of allocating dividends:
 - (i) first to the payment of accrued Statutory Interest at the date of the relevant dividends and then in reduction of the principal;
 - (ii) first to reduction of the principal and then to the payment of accrued Statutory Interest; or
 - (iii) on the basis of some other sequencing.
- 3 Whether the words "*the rate applicable to the debt apart from the administration*" in Rule 2.88(9) of the Rules refer:
 - (i) only to a numerical percentage rate of interest; or
 - (ii) also to a mode of calculating the rate at which interest accrues on a debt, including compounding of interest, such that where a creditor has a right

(beyond any right contained in Rule 2.88) to be paid compound interest, whether under an Original Contract or otherwise, the creditor is entitled to compound interest under Rule 2.88(7).

- 4 Whether the words “*the rate applicable to the debt apart from the administration*” in Rule 2.88(9) of the Rules are apt to include (and, if so, in what circumstances) a foreign judgment rate of interest or other statutory interest rate.
- 5 Whether, for the purposes of establishing, as required under Rule 2.88(9) of the Rules, “*whichever is the greater of the rate specified under paragraph (6) and the rate applicable to the debt apart from the administration*”, the comparison required is of:
 - (i) the total amounts of interest that would be payable under Rule 2.88(7) based on each method of calculation; or
 - (ii) only the numerical rates themselves,and in either case, how the total amount of interest is calculated when the “*rate applicable to the debt apart from the administration*” varies from time to time.
- 6 Whether, for the purposes of establishing, as required under Rule 2.88(9) of the Rules, “*whichever is the greater of the rate specified under paragraph (6) and the rate applicable to the debt apart from the administration*”, the amount of interest to be calculated based on the latter is calculated from:
 - (i) the Date of Administration;
 - (ii) the date on which the debt became due; or
 - (iii) another date.

Period during which the debts “have been outstanding since LBIE entered administration” for the purposes of Rule 2.88(7)

- 7 Whether Statutory Interest is payable in respect of an admitted provable debt which was a contingent debt as at the Date of Administration from:
 - (i) the Date of Administration;
 - (ii) the date on which the contingent debt ceased to be a contingent debt (including in circumstances where the contract was “closed out” after LBIE entered administration); or
 - (iii) another date,having regard to whether:

- (i) the contingent debt remained contingent at the time of the payment of:
 - (a) the final dividend; or
 - (b) Statutory Interest; and/or
 - (ii) (to the extent applicable) the Joint Administrators revised their previous estimate of the contingent debt by reference to the occurrence of the contingency or contingencies to which the debt was subject.
- 8** Whether Statutory Interest is payable in respect of an admitted provable debt which was a future debt as at the Date of Administration from:
- (i) the Date of Administration;
 - (ii) the date on which the future debt ceased to be a future debt; or
 - (iii) another date,
- having regard to whether the future debt remained a future debt at the time of the payment of:
- (i) the final dividend; or
 - (ii) Statutory Interest.
- 9** Whether a creditor's accession to the CRA (and, in particular, the effect of clauses 20.4.3, 24.1, 25.1, 25.2 and 62.4 of the CRA) would impact upon the answers to questions 7 and 8 above, and if so, how.

Master Agreements

ISDA.

- 10** Whether, on the true construction of the term "Default Rate" as it appears in the ISDA Master Agreement, the "relevant payee" refers to LBIE's contractual counterparty or to a third party to whom LBIE's contractual counterparty has transferred (by assignment or otherwise) its rights under the ISDA Master Agreement.
- ~~**11** On the true construction of the term "Default Rate" as it appears in the ISDA Master Agreement, what meaning should be given to the expression "cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount"? In particular:~~
- ~~(i) can this cost:~~

- ~~(a) — only be ascertained with reference to the actual or asserted cost of the payee to fund or of funding the relevant amount by borrowing the relevant amount (and if so whether such borrowing should be assumed to have recourse solely to the claim that it is funding or to the rest of the relevant payee's unencumbered assets and, if the latter, whether the cost of funding should include the cost to the relevant payee of incurring additional debt against its existing asset base); or~~
- ~~(b) — be ascertained in other ways, including with reference to funds which might be raised by way of equity investment in the payee and, if so:

 - ~~(i) — in what ways might the costs be ascertained; and~~
 - ~~(ii) — how would the cost be calculated in such circumstances?~~~~
- ~~(ii) — should the cost of funds be calculated based on:

 - ~~(a) — the cost to the relevant payee of funding a claim against LBIE;~~
 - ~~(b) — an average cost of funding the relevant payee's asset base; or~~
 - ~~(c) — (if different) the cost of raising general corporate funding?~~~~

11 Is the meaning that should be given to the expression “cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount” capable of including:

- (1) The actual or asserted cost to the relevant payee to fund or of funding the relevant amount by borrowing the relevant amount; and/or
- (2) The actual or asserted average cost to the relevant payee of raising money to fund or of funding all its assets by whatever means, including any cost of raising shareholder funding; and/or
- (3) The actual or asserted cost to the relevant payee to fund or of funding and/or carrying on its balance sheet an asset and/or of any profits and/or losses incurred in relation to the value of the asset, including any impact on the cost of its borrowings and/or its equity capital in light of the nature and riskiness of that asset; and/or
- (4) The actual or asserted cost to the relevant payee to fund or of funding a claim against LBIE.

~~12~~ Whether the “cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount” is to be calculated based on obtaining:

- ~~(i) overnight funding;~~
- ~~(ii) term funding to match the duration of the claim to be funded; or~~
- ~~(iii) funding on some other basis (and if so, what basis).~~

12 If and to the extent that the “cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund ... the relevant amount” includes a cost of borrowing:

- (1) Should such borrowing be assumed to have recourse solely to the relevant payee’s claim against LBIE or to the rest of the relevant payee’s unencumbered assets?
- (2) If the latter, should the cost of funding include the incremental cost to the relevant payee of incurring additional debt against its existing asset base or should it include the weighted average cost on all of its borrowings?
- (3) Should such cost include any impact on the cost of the relevant payee’s equity capital attributable to such borrowing?
- (4) Is the cost to be calculated based on obtaining:
 - (i) Overnight funding; or
 - (ii) Term funding to match the duration of the claim to be funded; or
 - (iii) Funding for some other duration?

13 Whether the “cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount” should be calculated:

- (i) by reference to the relevant payee’s circumstances on a particular date; or
- (ii) on a fluctuating basis taking into account any changes in the relevant circumstances (and if so, whether the benefit of hindsight applies when taking into account such changes),

in each case, whether or not taking into account relevant market conditions.

- 14 Whether a relevant payee's certification of its cost of funding for the purposes of applying the "Default Rate" is conclusive and, if not, to what it is subject. In particular whether, in order for a payee's certification to be deemed conclusive, a relevant creditor is under any duty to act:
- (i) reasonably;
 - (ii) in good faith and not capriciously or irrationally; or
 - (iii) otherwise than in its own interests.
- 15 If the answer to question 14 is that the relevant payee's certification of its cost of funding is not conclusive and one of the requirements (i) to (iii) set out in that question applies, where does the burden of proof lie in establishing, and what is required to demonstrate, that a relevant payee has or has not met such requirement?
- 16 Whether only the relevant payee (in accordance with the meaning of such term determined pursuant to question 10 above), or another party (whether authorised by the relevant payee or not) can provide certification of the cost of funding and, if the former, what the position should be if the relevant payee is not capable of providing such certification (for example because it has been wound up or dissolved).
- ~~17 In circumstances where a relevant payee has not incurred any actual costs, what principles should be applied in determining the asserted costs "if it were to fund [...] the relevant amount".~~
- 18 Whether the power of a party under section 7(b) of the 1992 form ISDA Master Agreement to transfer any amount payable to it from a Defaulting Party under Section 6(e) without the prior written consent of that party included the power to transfer any contractual right to interest under that agreement.
- 19 Whether the answer to questions 10 to 18 above (or any of them) is different if the underlying Master Agreement is governed by New York rather than English law.

German

- ~~20 Whether, in calculating the amount of interest due under section 3(4) of the German Master Agreement, it is possible (and if so, in what circumstances and to what extent) to include an amount in respect of "further claims for damages" ("Damages Interest Claim") so that this would constitute part of "the rate applicable to the debt apart from the administration" for the purposes of Rule 2.88(9).~~

20.1 Whether and in what circumstances, following LBIE's administration, a creditor would be entitled to make a "damages interest claim" within the meaning of section 288(4) of the German Civil Code (BGB) on any sum which is payable pursuant to clauses 7 to 9 of the German Master Agreement?

20.2 If the answer to question 20.1 is yes, whether (and if so, in what circumstances) all or part of such "damages interest claim" can constitute part of "the rate applicable to the debt apart from the administration" for the purpose of Rule 2.88(9)?

21 If the answer to question 20.2 is that a further claim for damages can be included as part of the "rate applicable to the debt apart from the administration" for the purposes of Rule 2.88(9), how in such circumstances is the relevant rate to be determined? In particular:

- (i) in circumstances where the relevant claim under the German Master Agreement has been transferred (by assignment or otherwise) to a third party, is it the Damages Interest Claim which could be asserted by the assignor or the assignee which is relevant for the purposes of Rule 2.88(9)?
- (ii) where the relevant claim under the German Master Agreement has been acquired by a third party, in what circumstances (if any) is such a third party precluded from asserting a Damages Interest Claim under principles of German law?
- (iii) where does the burden of proof lie in establishing a Damages Interest Claim, and what is required to demonstrate, that a relevant creditor has or has not met such requirement?

~~FBF~~

~~22 Whether each of:~~

- ~~(i) default interest pursuant to clause 9.1 of the FBF Master Agreement and the AFB Master Agreement;~~
 - ~~(ii) the "Late Interest Rate" as such term is defined in the AFTB Master Agreement; and/or~~
 - ~~(iii) "Late Payment Interest" as such term is defined in the AFTI Master Agreement;~~
- ~~are capable of being a "rate applicable to the debt apart from the administration" for the purposes of Rule 2.88(9).~~

~~23~~ Whether the “party” that receives the interest referred to in question 22 above pursuant to the FBF Master Agreement, the AFB Master Agreement, the AFTB Master Agreement and the AFTI Master Agreement refers to LBE’s original contractual counterparty or to a third party to whom LBE’s original contractual counterparty has transferred (by assignment or otherwise) its rights under the relevant agreement.

~~24~~ Whether the terms:

(i) ~~“overnight financing rate of the Party” in clause 9.1 as it appears in the FBF Master Agreement and the AFB Master Agreement;~~

(ii) ~~“average overnight rates that would be offered to the beneficiary” as it appears in the AFTB Master Agreement;~~

(iii) ~~“the average of the daily rates to which the recipient of the payment has access during the relevant period” as it appears in the AFTI Master Agreement;~~

~~should only be ascertained with reference to the actual or asserted cost of the payee or may be ascertained in other ways.~~

~~25~~ Whether only the “party” pursuant to question 23 or another party authorised to act on behalf of the “party” can provide determination and notification of its cost of funding.

~~26~~ What is the applicable standard, if any, by reference to which any statement by the party as to its “overnight refinancing rate”, “average overnight rates” and “average of daily rates to which it has access” is constrained?

Status of Payee

27 Whether, and if so how, the answers to questions 10 to 21~~6~~ would be impacted where the “relevant payee” is:

- (i) a Credit Institution or Financial Institution;
- (ii) a Fund Entity; or
- (iii) a corporate or other type of counterparty.

Currency Conversion Claims

- 28** Whether, and if so how, the calculation of a Currency Conversion Claim should take into account the Statutory Interest paid to the relevant creditor by the Joint Administrators.
- 29** Whether there exists a non-provable claim against LBIE where the total amount of interest received by a creditor applying the Judgments Act Rate on a sterling admitted claim, when converted into the relevant foreign currency on the date of payment, is less than the amount of interest which would accrue applying the Judgments Act Rate to the original foreign currency claim.
- 30** Whether there exists a non-provable claim against LBIE where the total amount of interest received by a creditor applying a "*rate applicable to the debt apart from the administration*" on a sterling admitted claim, when converted into the relevant foreign currency on the date of payment, is less than the amount of interest which would accrue applying the "rate applicable to the debt apart from the administration" to the original foreign currency claim.
- 31** Whether:
- (i) in relation to a GMSLA for which the "Base Currency" is a currency other than sterling, a Currency Conversion Claim can arise in respect of the "Base Currency" if the schedule to that agreement states that paragraph 10 of that agreement will only apply if LBIE's counterparty is the "Defaulting Party";
 - (ii) in relation to a GMRA for which the "Base Currency" (as distinct from the "Contractual Currency") is a currency other than sterling, a Currency Conversion Claim can arise in respect of the "Base Currency" if the schedule to that agreement states that paragraph 10 of that agreement will only apply if LBIE's counterparty is the "Defaulting Party"; and
 - (iii) in relation to other master agreements, a Currency Conversion Claim can arise if the relevant contractual terms state that the termination and close-out netting provisions which would result in a payment obligation in a non-sterling currency by one party to the other do not apply other than upon the default of LBIE's counterparty.

- 32** If the answer to question 31 (i), (ii) and/or (iii) is in the negative, whether a Currency Conversion Claim can arise (and if so in what circumstances) in respect of such a GMSLA, GMRA or other master agreements.
- 33** Whether a Currency Conversion Claim can be established by a creditor where the creditor's right is derived from a transfer (whether or not by way of legal assignment) by LBIE's original counterparty (or any assignee of the original counterparty) which only transferred:
- (i) the provable debt;
 - (ii) the right to receive a dividend on the provable debt; or
 - (iii) the Agreed Claim Amount defined as a numerical amount in a CDD
- and if not, whether either the original counterparty or the assignee is capable of having a valid Currency Conversion Claim.

Effect of Post-Administration Contracts

- 34** Whether (as a matter of construction) a creditor's Currency Conversion Claim and/or any other non-provable claim has been released in circumstances in which the creditor entered into either:
- (i) a Foreign Currency CDD incorporating a Release Clause;
 - (ii) a Sterling CDD incorporating a Release Clause; or
 - (iii) the CRA.
- 35** Whether (as a matter of construction) a creditor's claim to Statutory Interest has been released in whole or in part in circumstances in which the creditor entered into either:
- (i) a CDD incorporating a Release Clause; or
 - (ii) the CRA.
- 36** If a CDD or the CRA has the effect of releasing a Currency Conversion Claim, Statutory Interest claim or other non-provable claims, whether such release(s) should in the circumstances be enforced.
- 36A** If (as a matter of construction) a CDD or the CRA has the effect of releasing a Currency Conversion Claim, Statutory Interest claim or other non-provable claims, whether, by reason of, or by analogy with, the rule in *Ex parte James* (1874) LR 9 Ch App 609

and/or because to enforce such release(s) would unfairly harm creditors who have entered into a CDD or the CRA within the meaning of paragraph 74 of Schedule B1 to the Insolvency Act 1986, in all the circumstances, the Administrators should be directed not to enforce, or to cause LBIE to enforce, such release(s).

36B If (as a matter of construction) a CDD or the CRA has the effect of releasing a Currency Conversation Claim, Statutory Interest claim or other non-provable claim, whether or not there are any bases (other than those of general application to all CDDs or the CRA considered by the Court in the context of Issue 36A) for the Court to determine that the releases should not in the circumstances be enforced or are not in the circumstances effective (such as rectification, estoppel and/or relief from the consequences of a common or unilateral mistake).

37 How are claims to be calculated where a CDD (or any other agreement pursuant to which an unsecured claim is agreed or admitted) compromises a number of claims, with differing rates of interest applicable or in different currencies, without indicating how the agreed or admitted claim amount in the CDD (or any other agreement) derives from and relates to those underlying claims?

38 Whether (and if so in what circumstances) Part VII of the CRA, which specifies that claims of acceding creditors are to be calculated in US dollars, is capable of giving rise to a Currency Conversion Claim.

Compensation for Time Taken to Discharge Non-Provable Claims

39 Whether a creditor entitled to Statutory Interest, Currency Conversion Claims and/or other non-provable claims is entitled to any form of compensation for or in respect of the time taken for such claim to be discharged and, if so, whether such compensation is taken into account as part of the correct methodology for calculating Statutory Interest and/or the distribution of the surplus, or should take the form of interest at the Judgments Act Rate, damages for loss, restitution or another form.

And for:

40 Such further or other relief as the Court thinks fit; and

41 An order that the Joint Administrators' costs of the Application be paid as an expense of the administration.

Dated this day of ~~October~~May 2015~~June~~ 2014

Signed:.....

Joint Administrators' solicitors: Linklaters LLP

Position held: Partner

The Joint Administrators' address for service is:

Linklaters LLP, One Silk Street, London EC2Y 8HQ

Reference: Tony Bugg / Euan Clarke / Jared Oyston

It is intended to serve this Application on:

CVI GVF (Lux) Master S.à.r.l., c/o Freshfields Bruckhaus Deringer LLP

Hutchinson Investors LLC, c/o Ropes & Gray International LLP

Burlington Loan Management Limited, c/o Schulte Roth & Zabel LLP

Wentworth Sons Sub-Debt S.à.r.l., c/o Kirkland and Ellis International LLP

York Global Finance BDH, LLC, c/o Michelmores LLP

IF YOU DO NOT ATTEND, THE COURT MAY MAKE SUCH ORDER AS IT THINKS FIT.

SCHEDULE
DEFINITIONS

<u>Term</u>	<u>Meaning</u>
Act	The Insolvency Act 1986
AFB Master Agreement	French Derivatives Master Agreement
AFTB Master Agreement	French Repurchase Master Agreement
AFTI Master Agreement	French Securities Lending Master Agreement
CDD	A Claims Determination Deed entered into between LBIE and a creditor
CRA	The Claim Resolution Agreement which was declared effective on 29 December 2009 by LBIE in respect of certain of its clients and counterparties (as modified from time to time)
Credit Institution	As defined in the Capital Requirements Regulation
Currency Conversion Claim	A non-provable claim against LBIE arising out of the difference between: (i) the amount of the creditor's entitlement to payment in a foreign currency; and (ii) the amount received by it in respect of its proved debt, converted into the foreign currency as at the date of payment
Date of Administration	The date on which LBIE entered into administration, being 15 September 2008
FBF Master Agreement	French Banking Federation Master Agreement
Financial Institution	As defined in accordance with the Capital Requirements Directive (2006/48/EC and 2006/49/EC) but excluding a Fund Entity as defined herein
Foreign Currency CDD	A CDD in which the Agreed Claim Amount is expressed in a currency other than Pounds Sterling
Fund Entity	A fund or fund manager primarily operating hedge and credit fund strategies, including, but not limited to, Alternative Investment Funds (AIFs) and Alternative Investment Fund Managers (AIFMs) as defined in accordance with the Alternative Investment Fund Managers Directive

	(2011/61/EU)
German Master Agreement	The German Master Agreement for Financial Derivative Transactions
GMRA	Global Master Repurchase Agreement
GMSLA	Global Master Securities Lending Agreement
ISDA Master Agreement	The 1992 or 2002 International Swap Dealers Association Multicurrency-Cross Border Master Agreement
Judgments Act Rate	The interest rate of eight per cent. per annum set out in section 17 of the Judgments Act 1838
Original Contract	A contract entered into between LBIE and a creditor prior to LBIE's entry into administration
Release Clause	A clause in a CDD in, or materially in, the following form: <i>"the Creditor and (i) the Company and (ii) the Administrators are hereby each irrevocably and unconditionally released and forever discharged from any and all losses, costs, charges, expenses, Claims (including all Claims for interest costs and orders for costs), demands, actions, causes of action, Liabilities, rights and obligations (including those which arise hereafter upon a change in the relevant law) to or against each other and howsoever arising in equity or under common law or any statute or by reason of breach of contract or in respect of any tortious or negligent act or omission (whether or not loss or damage caused thereby has yet been suffered) or otherwise, whether arising under the Creditor Agreements or not, whether in existence now or coming into existence at some time in the future, and whether or not in the contemplation of the Creditor and/or the Company and/or the Administrators on the date hereof"</i>
Rules	The Insolvency Rules 1986
Statutory Interest	Interest payable pursuant to rule 2.88(7) of the Rules
Sterling CDD	A CDD in which the Agreed Claim Amount and/or the Admitted Claim Amount (as defined therein) are expressed in Pounds Sterling

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

**IN THE MATTER OF LEHMAN BROTHERS
INTERNATIONAL (EUROPE)
(IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY
ACT 1986**

**RE-AMENDED APPLICATION
PURSUANT TO THE ORDER OF
MR JUSTICE DAVID RICHARDS
DATED 9 MARCH 2015 AND TO
THE ORDER OF MR JUSTICE
HILDYARD DATED 9 OCTOBER
2015**

Linklaters LLP
One Silk Street
London EC2Y 8HQ
(Ref: Tony Bugg / Euan Clarke / Jared Oyston)

Tel: (+44) 20 7456 5469
Fax: (+44) 20 7456 2222
Solicitors for the Joint Administrators