



International Swaps and Derivatives Association, Inc.

## **ISDA 2014 COLLATERAL AGREEMENT NEGATIVE INTEREST PROTOCOL**

published on May 12, 2014  
by the International Swaps and Derivatives Association, Inc.

The International Swaps and Derivatives Association, Inc. (**ISDA**) has published this ISDA 2014 Collateral Agreement Negative Interest Protocol (this **Protocol**) to enable parties to Protocol Covered Collateral Agreements to amend the terms of each such Protocol Covered Collateral Agreement to reflect certain amendments thereto.

### **1. Use of Protocol**

A person who adheres to this Protocol (an **Adhering Party**) in the manner set forth in paragraph 2 may use the terms of this Protocol to amend one or more existing Protocol Covered Collateral Agreements. An Adhering Party may be either a principal or an agent in respect of a Protocol Covered Collateral Agreement.

### **2. Adherence to and Effectiveness of the Protocol**

- (a) By adhering to this Protocol in the manner set forth in this paragraph 2, each Adhering Party agrees that the terms of each Protocol Covered Collateral Agreement between it and each other Adhering Party will be amended with effect from the Implementation Date in accordance with the terms of the Attachment hereto.
- (b) Adherence to this Protocol will be evidenced by the execution and online delivery, in accordance with this paragraph 2, by an Adhering Party to ISDA, as agent, of a letter substantially in the form of Exhibit 1 (an **Adherence Letter**). A person wishing to participate in this Protocol, whether as a principal or agent, or both, shall submit, using an online form, a single Adherence Letter to ISDA pursuant to this paragraph 2. ISDA will have the right, in its sole and absolute discretion, upon thirty calendar days' notice on the "ISDA 2014 Collateral Agreement Negative Interest Protocol" section of its website at [www.isda.org](http://www.isda.org) (or by other suitable means) to designate a closing date of the adherence period for this Protocol (such closing date, the **Adherence Cut-off Date**). After the Adherence Cut-off Date, ISDA will not accept any further Adherence Letters with respect to this Protocol.
- (c) Each Adhering Party executing an Adherence Letter will access the "Protocol Management" section of the ISDA website at [www.isda.org](http://www.isda.org) to enter information online that is required to generate its form of Adherence Letter and will submit payment of any applicable fee. Either by directly downloading the populated Adherence Letter from the Protocol Management system or upon receipt via e-mail of the populated Adherence Letter, each Adhering Party will print, sign and upload the signed Adherence Letter as a PDF (portable document format) attachment into the Protocol Management system. Once the signed Adherence Letter has been approved and accepted by ISDA, the

Adhering Party will receive an e-mail confirmation of the Adhering Party's adherence to the Protocol.

- (d) ISDA will publish, so that it may be viewed by all Adhering Parties, a conformed copy of each Adherence Letter containing, in place of each signature, the printed or typewritten name of each signatory.
- (e) Each Adhering Party executing and submitting an Adherence Letter agrees that, for evidentiary purposes, a conformed copy of an Adherence Letter certified by the General Counsel (or other appropriate officer) of ISDA will be deemed to be an original.
- (f) Each Adhering Party agrees that the determination of the date and time of acceptance of any Adherence Letter will be determined by ISDA in its absolute discretion.
- (g) As between any two Adhering Parties and any Protocol Covered Collateral Agreement between them, the agreement to make the amendments contemplated by this Protocol to such Protocol Covered Collateral Agreement, on the terms and conditions set forth in this Protocol, will be effective on the Implementation Date. The **Implementation Date** for any Protocol Covered Collateral Agreement between two Adhering Parties means the later to occur of the following two dates (of if such dates are the same date, such date): (i) the date of acceptance by ISDA, as agent, of an Adherence Letter (in accordance with paragraph 2(f) above) from the later of such two Adhering Parties to adhere (such date with respect to such Adhering Parties, the **Acceptance Date**); and (ii) the Protocol Covered Collateral Agreement Date of such Protocol Covered Collateral Agreement.
- (h) This Protocol is intended for use without negotiation, but without prejudice to any amendment, modification or waiver in respect of a Protocol Covered Collateral Agreement that the parties may otherwise effect in accordance with the terms of the related Governing Master Agreement and any relevant terms of that Protocol Covered Collateral Agreement.
- (i) In adhering to this Protocol, an Adhering Party may not specify additional provisions, conditions or limitations in its Adherence Letter.
- (j) Any purported adherence that ISDA, as agent, determines in good faith is not in compliance with this Protocol will be void and ISDA will inform the relevant party of such fact as soon as reasonably possible after making such determination.
- (k) Each Adhering Party acknowledges and agrees that adherence to this Protocol is irrevocable, except that an Adhering Party may deliver to ISDA, as agent, a notice substantially in the form of Exhibit 2 to this Protocol (a **Revocation Notice**) that is effective (determined pursuant to paragraph 4(e) below) on any Business Day during the Annual Revocation Period to designate the next Annual Revocation Date as the last date on which any counterparty may adhere to this Protocol in respect of any Protocol Covered Collateral Agreement between the counterparty and such Adhering Party.
  - (i) Upon the effective designation of the next Annual Revocation Date by an Adhering Party, this Protocol will not amend any ISDA Collateral Agreement

between that Adhering Party and a party which adheres to this Protocol after that Annual Revocation Date occurs and such ISDA Collateral Agreement will not be a Protocol Covered Collateral Agreement. The foregoing is without prejudice to any amendment effected pursuant to this Protocol to any Protocol Covered Collateral Agreement between two Adhering Parties that each adhered to this Protocol on or before the day on which that Annual Revocation Date occurs or is deemed to occur, regardless of the date on which such Protocol Covered Collateral Agreement is entered into, and any such amendment shall be effective notwithstanding the occurrence or deemed occurrence of such Annual Revocation Date.

- (ii) Each Revocation Notice must be delivered by the means specified in paragraph 4(e) of this Protocol below.
- (iii) Each Adhering Party agrees that, for evidentiary purposes, a conformed copy of a Revocation Notice certified by the General Counsel or an appropriate officer of ISDA will be deemed to be an original.
- (iv) Any purported revocation that ISDA, as agent, determines in good faith is not in compliance with this paragraph 2(k) will be void.

### **3. Representations and Undertakings**

- (a) As of the date on which an Adhering Party adheres to this Protocol in accordance with paragraph 2 above and as of the Implementation Date (if different), such Adhering Party represents to each other Adhering Party with which it has entered into a Protocol Covered Collateral Agreement each of the following matters and such representations will be added to the Schedule as “Additional Representations” in the Governing Master Agreement; provided that if the Implementation Date occurs after the date on which an Adhering Party adheres to this Protocol in accordance with paragraph 2(g) above, then representations or portions thereof that relate solely to the Governing Master Agreement shall be made as of the Implementation Date only:
  - (i) **Status.** It is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or, if it otherwise represents its status in or pursuant to the Governing Master Agreement, including, the related Protocol Covered Collateral Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto), has such status.
  - (ii) **Powers.** It has the power to execute and deliver the Adherence Letter and to perform its obligations under the Adherence Letter and the Governing Master Agreement, including, the related Protocol Covered Collateral Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto), and has taken all necessary action to authorize such execution, delivery and performance.

- (iii) ***No Violation or Conflict.*** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
  - (iv) ***Consents.*** All governmental and other consents that are required to have been obtained by it with respect to the Adherence Letter and the Governing Master Agreement, including, the related Protocol Covered Collateral Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto), have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
  - (v) ***Obligations Binding.*** Its obligations under the Adherence Letter and the Governing Master Agreement, including, the related Protocol Covered Collateral Agreement as amended by the Adherence Letter and this Protocol (including the Attachment hereto), constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
  - (vi) ***Credit Support.*** Its adherence to this Protocol and any amendment contemplated by this Protocol will not, in and of itself, adversely affect the enforceability, effectiveness or validity of any obligations owed, whether by it or by any third party, under the Protocol Covered Collateral Agreement as amended by this Protocol (including the Attachment hereto) or any Credit Support Document (whether or not it is a Protocol Covered Collateral Agreement), in any case, which forms a part of or is entered into in relation to the Governing Master Agreement or any Third Party Credit Support Document relating to its obligations in respect of the Governing Master Agreement, including, the related Protocol Covered Collateral Agreement, as amended by the Adherence Letter and this Protocol (including the Attachment hereto).
- (b) Each Adhering Party agrees with each other Adhering Party with which it enters into or has entered into an ISDA Collateral Agreement that each of the foregoing representations will be deemed to be a representation for purposes of Section 5(a)(iv) of each related Governing Master Agreement that is an ISDA Master Agreement (or, in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement).
- (c) ***Undertakings in respect of Governing Master Agreements with Third Party Credit Support Documents.*** With respect to Governing Master Agreements with Third Party Credit Support Documents that expressly require the consent, approval, agreement, authorization or other action of a Third Party to be obtained, each Adhering Party whose obligations under such arrangements are secured, guaranteed or otherwise supported by such Third Party undertakes to each other

Adhering Party with which it has entered into such arrangements that it has obtained the consent (including by way of paragraph 3(d) below), approval, agreement, authorization or other action of such Third Party and that it will, upon demand, deliver evidence of such consent, approval, agreement, authorization or other action to such other Adhering Party.

(d) ***Deemed Third Party Consent.*** Each Adhering Party which is also a Third Party in relation to a Third Party Credit Support Document is hereby deemed to have consented to the amendments imposed by this Protocol on the Governing Master Agreement supported by such Third Party Credit Support Document.

#### **4. Miscellaneous**

(a) ***Entire Agreement; Restatement; Survival.***

(i) This Protocol constitutes the entire agreement and understanding of the Adhering Parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto. Each Adhering Party acknowledges that in adhering to this Protocol it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to elsewhere in this Protocol) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Protocol will limit or exclude any liability of an Adhering Party for fraud.

(ii) Except for any amendment deemed to be made pursuant to this Protocol in respect of any Protocol Covered Collateral Agreement, all terms and conditions of that Protocol Covered Collateral Agreement will continue in full force and effect in accordance with its provisions as in effect immediately prior to the Implementation Date. Except as explicitly stated in this Protocol, nothing herein shall constitute a waiver or release of any rights of any Adhering Party under any Protocol Covered Collateral Agreement to which such Adhering Party is a party. This Protocol will, with respect to its subject matter, survive, and any amendments deemed to be made pursuant to this Protocol will form a part of each Protocol Covered Collateral Agreement between the Adhering Parties notwithstanding Section 9(a) (or in the case of a Governing Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(a)) of the related Governing Master Agreement) (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement)).

(b) ***Amendments.*** An amendment, modification or waiver in respect of the matters contemplated by this Protocol will, as between two Adhering Parties, only be effective if made in accordance with the terms of the relevant Governing Master Agreement and then only with effect between those two Adhering Parties (and will only be effective to amend or override the provisions contained in this Protocol if it expressly refers in writing to this paragraph 4(b) of this Protocol and would otherwise be effective in accordance with Section 9(b) (or in the case of Governing Master Agreement that is a 1992 ISDA Master

Agreement (Local Currency – Single Jurisdiction), Section 8(b)) of the related Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement)).

- (c) **Headings.** The headings used in this Protocol and any Adherence Letter are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Protocol or any Adherence Letter.
- (d) **Governing Law.** This Protocol and each Adherence Letter will, as between two Adhering Parties be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine, provided that the amendments to each Protocol Covered Collateral Agreement shall be governed by and construed in accordance with (i) if no governing law is specified in the Protocol Covered Collateral Agreement, the law specified to govern the related Governing Master Agreement and otherwise in accordance with the applicable choice of law doctrine; and (ii) if a governing law is specified in the Protocol Covered Collateral Agreement, the law specified to govern the Protocol Covered Collateral Agreement.
- (e) **Notices.** Any Revocation Notice must be in writing and delivered as a locked PDF (portable document format) attachment to an email to ISDA at isda@isda.org and will be deemed effectively delivered on the date it is delivered unless on the date of that delivery ISDA's New York office is closed or that communication is delivered after 5:00 p.m., New York time, in which case that communication will be deemed effectively delivered on the next day ISDA's New York office is open.
- (f) **Ability of an Agent to Adhere to the Protocol on Behalf of a Client.**
  - (i) An Agent may adhere to this Protocol:
    - (A) on behalf of all Clients represented by such Agent (in which case such Agent need not identify each Client in its Adherence Letter);
    - (B) on behalf of Clients represented by such Agent that are specifically named or identified in the Adherence Letter or an attachment thereto; or
    - (C) on behalf of all Clients represented by such Agent, except any Client that the Agent and an Adhering Party that has entered into a Protocol Covered Collateral Agreement with such Client agree will not be covered by this Protocol;provided, in each case, that such adherence shall only be effective with respect to Protocol Covered Collateral Agreements entered into by such Agent on behalf of such Clients.
  - (ii) Where an Agent adheres to this Protocol on behalf of a Client by executing and delivering an Adherence Letter on behalf of such Client in accordance herewith, references to the Adhering Party for purposes of this Protocol and the Adherence Letter shall be interpreted to refer to such Client.

- (g) ***Clients added to an Agent Governing Master Agreement and an Agent ISDA Collateral Agreement after the Implementation Date.*** In respect of any Client added to an Agent Governing Master Agreement which includes an Agent ISDA Collateral Agreement thereto or, with respect to both parties, is in relation to an Agent ISDA Collateral Agreement, between an Agent and an Adhering Party after the Implementation Date (a **New Client**), the Agent and such Adhering Party agree that the terms of such Agent ISDA Collateral Agreement as between such Adhering Party and any New Client will be subject to the amendments effected by this Protocol, unless otherwise agreed between such Agent and such Adhering Party.
- (h) ***Agreed Excluded ISDA Collateral Agreements.*** Adhering Parties may agree by separate bilateral agreement(s) that one or more specified ISDA Collateral Agreements entered into between them shall not be Protocol Covered ISDA Collateral Agreement for purposes of this Protocol (each such ISDA Collateral Agreement, an **Agreed Excluded ISDA Collateral Agreement**). Such separate bilateral agreement(s) will, as between two Adhering Parties, only be effective if made in accordance with the terms of the relevant Governing Master Agreement and then only with effect between those two Adhering Parties (and will only be effective to exclude the provisions contained in this Protocol if it expressly refers in writing to this paragraph 4(h) of this Protocol and would otherwise be effective in accordance with Section 9(b) (or in the case of a Governing Master Agreement that is a 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), Section 8(b)) of the related Governing Master Agreement (or in the case of a Governing Master Agreement that is not an ISDA Master Agreement, any analogous provision in such Governing Master Agreement)).

## **5. Definitions**

Each capitalized term used in this Protocol but not defined herein has the meaning given to such term in the related Protocol Covered Collateral Agreement.

References in this Protocol and the Attachment to the following terms shall have the following meanings:

**Acceptance Date** means, subject to an Adhering Party's right to deliver a Revocation Notice pursuant to paragraph 2(k) above, with respect to any two Adhering Parties, the date determined pursuant to paragraph 2(g) of this Protocol.

**Agent** means an entity that enters into an ISDA Collateral Agreement and the related Governing Master Agreement, and executes and delivers an Adherence Letter with respect to this Protocol on behalf of, and as agent for, one or more clients, investors, funds, accounts and/or other principals.

**Agent Governing Master Agreement** means a Governing Master Agreement that is signed as an umbrella agreement by an Agent and an Adhering Party prior to the date of receipt by ISDA of an Adherence Letter from the later of such Adhering Party or such Agent.

**Agent ISDA Collateral Agreement** means any ISDA Collateral Agreement which forms a part of an Agent Governing Master Agreement or, with respect to both parties, is entered into in relation to a Governing Master Agreement.

**Annual Revocation Date** means, with respect to each calendar year, December 31 of such calendar year. If December 31 in any calendar year is not a day on which the ISDA's New York office is open, the Annual Revocation Date with respect to such calendar year will be deemed to occur on the next day that the ISDA's New York office is open.

**Annual Revocation Period** means the period between October 1 and October 31 of any calendar year.

**Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in both London and New York.

**Client** means a client, investor, fund, account and/or other principal on whose behalf an Agent acts.

**Credit Support Document** has the meaning given to such term in the related Governing Master Agreement.

**Custodial Interest Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, or in a custodial agreement in respect of an ISDA Collateral Agreement, which provides that (i) no interest on any cash that is held by a custodian which is not a party to such ISDA Collateral Agreement shall be payable by an Adhering Party to that ISDA Collateral Agreement or (ii) interest on any cash that is held by a custodian which is not a party to such ISDA Collateral Agreement shall be payable by such custodian or shall be calculated, and/or distributed and/or invested by such custodian or shall be calculated, and/or distributed and/or invested by such custodian.

**Governing Master Agreement** means a written agreement entered into between two Adhering Parties, including a written agreement that is signed as an umbrella agreement by an Agent and an Adhering Party, which may be an ISDA Master Agreement or other form of master agreement, of which an ISDA Collateral Agreement forms a part, or which is entered into with respect to both parties, in relation to such agreement, in any case, whether executed by the parties thereto or deemed entered into by such parties in a confirmation or pursuant to adherence to a Protocol by such parties.

**Implementation Date** means, subject to an Adhering Party's right to deliver a Revocation Notice pursuant to paragraph 2(k) above, with respect to any two Adhering Parties and any Protocol Covered Collateral Agreement, the date determined pursuant to paragraph 2(g) of this Protocol.

**Interest Amount Alternative Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, that disappplies the determination of the Interest Amount by reference to one or more Interest Rate(s)

specified in the relevant ISDA Collateral Agreement, including if such disapplication is specified as an “Alternative to Interest Amount.”

**ISDA Collateral Agreement** means any one or more of, (i) the 1994 ISDA Credit Support Annex (Security Interest - New York Law) (**1994 New York Law CSA**), (ii) the 1995 ISDA Credit Support Annex (Transfer - English Law) (**1995 English Law CSA**), (iii) the 1995 ISDA Credit Support Deed (Security Interest - English Law) (**1995 English Law CSD**), (iv) the 1995 ISDA Credit Support Annex (Security Interest - Japanese Law) (**1995 Japanese Law CSA**), (v) the 2008 ISDA Credit Support Annex (Loan/Japanese Pledge) (**2008 Japanese Law CSA**) and (vi) the 2001 ISDA Margin Provisions (**2001 Margin Provisions**), in each case as published by ISDA. All references herein to an “ISDA Collateral Agreement” other than in this definition and in the definition of Agent ISDA Collateral Agreement shall also include an Agent ISDA Collateral Agreement.

**ISDA Master Agreement** means an ISDA 2002 Master Agreement, 1992 ISDA Master Agreement (Multicurrency – Cross Border), 1992 ISDA Master Agreement (Local Currency – Single Jurisdiction), or 1987 ISDA Interest Rate and Currency Exchange Agreement, in each case as published by ISDA.

**Negative Interest Amount Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, which provides for how the Interest Amount is to be calculated, including, deeming such amount to be equal to zero or a number greater than zero, if the Interest Amount for an Interest Period is a negative number.

**No Interest Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, which provides that the Interest Rate and/or the Interest Amount shall be zero and/or that the Interest Amount is none, not applicable or is otherwise not specified or left blank so that no Interest Amount will be payable thereunder.

**Protocol Covered Collateral Agreement** means, subject to an Adhering Party’s right to deliver a Revocation Notice pursuant to paragraph 2(k) above, any of the following agreements, regardless of whether entered into by the Adhering Parties prior to, on or after the Acceptance Date or any Adherence Cut-off Date:

- (i) an ISDA Collateral Agreement entered into by execution by Adhering Parties of a confirmation pursuant to which an Adhering Party is deemed to have entered into an ISDA Collateral Agreement (including, pursuant to a deemed Governing Master Agreement of which the ISDA Collateral Agreement forms a part or is entered into in relation thereto with another Adhering Party until such time as a Governing Master Agreement or an ISDA Collateral Agreement has been executed by such Adhering Parties and that is still outstanding as of the Implementation Date;
- (ii) an ISDA Collateral Agreement executed by two Adhering Parties; and
- (iii) an Agent ISDA Collateral Agreement,

in each case, entered into by the Adhering Parties or, in the case of an Agent ISDA Collateral Agreement, signed by the Agent and the counterparty prior to adherence by both the counterparty and the Agent on behalf of the relevant Client,

provided that if:

- (1) such ISDA Collateral Agreement includes any Protocol Excluded Modifying Provision;
- (2) such ISDA Collateral Agreement is an Agreed Excluded ISDA Collateral Agreement;
- (3) any consent, approval, agreement, authorization or other action of any Third Party is expressly required, under the terms of a Third Party Credit Support Document to the Governing Master Agreement of which such ISDA Collateral Agreement forms a part or which is entered into in relation thereto, to amend or otherwise modify such Governing Master Agreement or ISDA Collateral Agreement;
- (4) a Third Party Credit Support Document, the Governing Master Agreement of which such ISDA Collateral Agreement forms a part or which is entered into in relation thereto, or such ISDA Collateral Agreement, includes express terms to the effect that any amendment or modification thereto, without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Support Document; or
- (5) such ISDA Collateral Agreement or the Governing Master Agreement of which such ISDA Collateral Agreement forms a part or which is entered into in relation thereto, if amended or modified in accordance with this Protocol without the consent, approval, agreement, authorization or other action of any such Third Party would void, impair or otherwise adversely affect existing or future obligations owed under such Third Party Credit Support Document,

then such ISDA Collateral Agreement, shall not be a Protocol Covered Collateral Agreement unless such consent, approval, agreement, authorization or other action has been obtained or is deemed to have been given under paragraph 3(d) above; provided further, that if such ISDA Collateral Agreement contains a Custodial Interest Provision, but does not contain any other Protocol Excluded Modifying Provision and none of the foregoing events set forth in (2) – (5) apply, then if such Custodial Interest Provision applies only to one or more Independent Amounts (the **Excluded Portion**), then (i) the portion of such ISDA Covered Collateral Agreement which is not the Excluded Portion (the **Included Portion**) shall be deemed to be a Protocol Covered Collateral Agreement and (ii) the Excluded Portion shall be deemed to not be a Protocol Covered Collateral Agreement, determined in each case, and solely for purposes of this Protocol, as if the Included Portion and the Excluded Portion were separate ISDA Collateral Agreements.

**Protocol Covered Collateral Agreement Date** means, in respect of any ISDA Collateral Agreement, the date of such ISDA Collateral Agreement, however so described therein, provided that (i) if such ISDA Collateral Agreement has different dates specified therein, one of which includes a date specified as an “as of” date, such date shall be the Protocol Covered Collateral

Agreement Date, (ii) if such ISDA Collateral Agreement has different dates specified therein, none of which includes a date specified as an “as of” date, then the Calculation Agent under the related Governing Master Agreement shall determine which date shall be the Protocol Covered Collateral Agreement Date, (iii) if such ISDA Collateral Agreement has no date but the related Governing Master Agreement does have a date, such date, determined pursuant to subsection (i) or (ii) of this definition, as applicable, as if “ISDA Collateral Agreement” were “Governing Master Agreement”, and (iv) if such ISDA Collateral Agreement is entered into or deemed entered into pursuant to a confirmation as described in subsection (i) of the definition of Protocol Covered Collateral Agreement, the date of such confirmation determined pursuant to subsection (i) or (ii) of this definition, as applicable, as if “ISDA Collateral Agreement” were “confirmation”

**Protocol Excluded Modifying Provision** means any of (i) a Custodial Interest Provision, (ii) an Interest Amount Alternative Provision, (iii) a Negative Interest Amount Provision, (iv) a No Interest Provision, (v) a Spread Provision or (vi) a Unilateral Posting Provision.<sup>1</sup>

**Spread Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, which provides that (i) the Interest Rate for any one or more days shall be determined by reference to a variable rate or rates or other mechanism which rate(s) or other mechanism, as applicable, is to be increased or decreased by a specified number or mechanism for determining a number and/or (ii) the Interest Amount shall be determined by reference to a variable rate or rates or other mechanism which amount is to be increased or decreased by a specified number or mechanism for determining a number.

**Third Party** means in relation to an agreement supported by a Third Party Credit Support Document, any party to such Third Party Credit Support Document other than either of the Adhering Parties which are parties to the agreement.

**Third Party Credit Support Document** means, with respect to an Adhering Party to an ISDA Collateral Agreement, any document in effect on the Implementation Date and executed by one or more Third Parties (whether or not an Adhering Party is a party thereto), which by its terms secures, guarantees or otherwise supports such Adhering Party’s obligations under the Governing Master Agreement of which such ISDA Collateral Agreement forms a part or which is entered into in relation thereto from time to time, whether or not such document is specified as a Third Party Credit Support Document or as a Credit Support Document, therein or in the Governing Master Agreement.

**Unilateral Posting Provision** means any language or provision in an ISDA Collateral Agreement, including terms specified in any Paragraph, Annex or Supplement thereto, which provides that or has the effect such that only one Adhering Party will or can be, under all circumstances and at all times, the Secured Party, Transferee, Obligee or Taker, as applicable, notwithstanding the Exposure, including, designating one Party’s Threshold as infinity under all circumstances and at all times. For the avoidance of doubt and by way of example (which

---

<sup>1</sup> Parties that wish to apply the Protocol to certain ISDA Collateral Agreements that would be excluded under this definition, can modify the definition by deleting some of the subsections therein by an amendment between the parties. See Section 4(b) hereof.

examples are not exclusive), (i) if only one party has payment and delivery obligations under a Governing Master Agreement this would not be a Unilateral Posting Provision if the Adhering Parties could enter into another Transaction thereunder whereby the other party may have payment or delivery obligations, regardless of whether or not the Adhering Parties do enter into any such Transaction and (ii) if the Threshold of an Adhering Party is infinity due to a credit rating of such party or its debt, this would not be a Unilateral Posting Provision if such Adhering Party may have a different Threshold if such credit rating were to decline, regardless of whether or not such decline ever occurs.

**EXHIBIT 1**

**to ISDA 2014 Collateral Agreement Negative Interest Protocol**

**Form of Adherence Letter**

---

[Letterhead of Adhering Party]

[Date]

**International Swaps and Derivatives Association, Inc.**

Dear Sirs,

**ISDA 2014 Collateral Agreement Negative Interest Protocol - Adherence**

The purpose of this letter is to confirm our adherence to the ISDA 2014 Collateral Agreement Negative Interest Protocol as published by the International Swaps and Derivatives Association, Inc. on May 12, 2014 (the **Protocol**). This letter constitutes, as between each other Adhering Party and us, an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Governing Master Agreement and each Protocol Covered Collateral Agreement thereto between us and each other Adhering Party.

**1. Specified Terms**

As between each other Adhering Party and us, the amendments in the Attachment to the Protocol shall apply to each Governing Master Agreement and each Protocol Covered Collateral Agreement thereto to which we are a party in accordance with the terms of the Protocol and this Adherence Letter.

**2. Appointment as Agent and Release**

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive any rights and hereby release ISDA from any claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

**3. Payment**

Each Adhering Party must submit a one-time fee of U.S. \$500 to ISDA at or before the submission of this Adherence Letter.

#### **4. Contact Details**

Our contact details for purposes of this Adherence Letter are:

Name:

Address:

Telephone:

Fax: E-mail:

We consent to the publication of a conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]<sup>2</sup>

By:

Name:
Title:
Signature:

---

<sup>2</sup> Specify legal name of Adhering Party.

If you are an Agent and act on behalf of multiple Clients, you may sign the Adherence Letter using one of two options.

First, if you have the authority to adhere to this Protocol as Agent on behalf of all Clients, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the relevant [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created)] entered into between it (as Agent) and another Adhering Party” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Adherence Letter for each Client does not need to be submitted to ISDA and no specific names of Clients will be publicly disclosed on the ISDA website in connection with this Protocol.

Second, if you have the authority to adhere to this Protocol as Agent on behalf of certain Clients only, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the appendix to this Adherence Letter in relation to the relevant [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement] between it (as Agent) and another Adhering Party” and include with the Adherence Letter an attachment that names each Client. If you cannot or do not wish to name such Clients, then provided that you can identify the adhering Clients by way of specific identifiers which will be known and recognized by all other Adhering Parties with which the relevant Clients have entered into an [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created)], you may identify such Clients using specific identifiers and without including any names. In such case, the specific identifiers will be listed on the ISDA website with the Adherence Letter. If you are able to do so, you may, if you wish, identify Clients by using both names and specific identifiers but this is optional and, provided you supply, at least, either names or specific identifiers, choosing not to provide both does not affect the legal validity and binding nature of this Protocol.

**EXHIBIT 2**

**to ISDA 2014 Collateral Agreement Negative Interest Protocol**  
**Form of Revocation Notice**

---

[Letterhead of Adhering Party]

[Date]

**International Swaps and Derivatives Association, Inc.**

**Send to: isda@isda.org**

Dear Sirs,

**ISDA 2014 Collateral Agreement Negative Interest Protocol - Designation of Annual  
Revocation Date**

The purpose of this letter is to notify you that we wish to designate this year's Annual Revocation Date as the last date on which any counterparty may adhere to the ISDA 2014 Collateral Agreement Negative Interest Protocol as published by the International Swaps and Derivatives Association, Inc. on May 12, 2014 (the **Protocol**) in respect of any ISDA Collateral Agreement between us.

This letter constitutes a Revocation Notice as referred to in the Protocol.

We consent to the publication of the conformed copy of this notice by ISDA on and after the Annual Revocation Date and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

[ADHERING PARTY]<sup>3</sup>

By:

Name:
Title:
Signature:

---

<sup>3</sup> Specify legal name of Adhering Party. If you are an Agent and act on behalf of multiple Clients, you may sign a Revocation Notice using one of two options.

First, if you have the authority to deliver a Revocation Notice for this Protocol as Agent on behalf of all Clients, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the relevant [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created)] entered into between it (as Agent) and another Adhering Party” or such other language that indicates the Clients to which this letter is applicable. If such a signature block is used, a separate Revocation Notice for each Client does not need to be submitted to ISDA and no specific names of Clients will be publicly disclosed on the ISDA website in connection with this Protocol.

Second, if you have the authority to deliver a Revocation Notice as Agent on behalf of certain Clients only, you may indicate the following in the signature block: “[Investment/Asset Manager], acting on behalf of the clients, investors, funds, accounts and/or other principals listed in the appendix to this Revocation Notice in relation to the relevant [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement] between it (as Agent) and another Adhering Party” and include with the Revocation Notice an attachment that names each Client. If you cannot or do not wish to name such Clients, then provided that you can identify the adhering Clients by way of specific identifiers which will be known and recognized by all other Adhering Parties with which the relevant Clients have entered into an [ISDA Collateral Agreement (or other agreement which deems an ISDA Collateral Agreement to have been created)] [Governing Master Agreement (or other agreement which deems a Governing Master Agreement to have been created)], you may identify such Clients using specific identifiers and without including any names. In such case, the specific identifiers will be listed on the ISDA website with the Revocation Notice. If you are able to do so, you may, if you wish, identify Clients by using both names and specific identifiers but this is optional and, provided you supply, at least, either names or specific identifiers, choosing not to provide both does not affect the legal validity and binding nature of this Revocation Notice.

## ATTACHMENT

### 1. The following amendments shall be made to any Protocol Covered Collateral Agreement which is a 1994 New York Law CSA:

(i) Paragraph 12 thereof shall include the following additional definition:

““**AV Negative Interest Amount**” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

(ii) The reference in Paragraph 4(a) thereof to “Paragraph 3 and 5” shall be deleted and replaced by:

“Paragraph 3, 5 and 6(d)”

(iii) Paragraph 6(d)(ii) thereof shall be deleted and replaced with the following provision:

“(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party),

(x) if the Interest Amount for an Interest Period is a positive number, the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 such Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose), and the Interest Amount or portion thereof not Transferred pursuant to this subsection (x) of this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2; and

(y) if the Interest Amount for an Interest Period is a negative number, the Pledgor will Transfer to the Secured Party at the times specified in Paragraph 13 the related AV Negative Interest Amount as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). If any Posted Collateral is in the form of Cash in the same currency as the AV Negative Interest Amount, any AV Negative Interest Amount or portion thereof not Transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred Interest Amount”) will constitute a reduction of Posted Collateral in the form of such Cash; provided that if the amount of Posted Collateral which is comprised of such Cash is less than the Untransferred Interest Amount, such reduction shall only be to the extent of the amount of such Cash which is Posted Collateral and the Pledgor shall remain obligated to Transfer the remainder of the Untransferred Interest Amount to the Secured Party. Any reduction of Posted Collateral in the form of Cash shall be deemed to be a Transfer and shall fulfill

the Pledgor's obligation to Transfer the AV Negative Interest Amount or related portion thereof to the Secured Party.”

(iv) The reference to “the Interest Amount” set forth in Paragraph 8(b)(iii) and Paragraph 8(b)(iv) thereof shall be deleted and replaced with the following reference:

“the amount of any positive Interest Amount”

(v) The reference to “the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.” set forth in Paragraph 8(d) thereof shall be deleted and replaced by the following reference:

“(i) the Secured Party will Transfer to the Pledgor all Posted Credit Support and any positive Interest Amount, and (ii) the Pledgor will Transfer to the Secured Party any AV Negative Interest Amount.”

(vi) Paragraph 11(a) thereof shall be amended such that:

(x) the reference to “Interest Amount” in the first sentence thereof shall be deleted and replaced by the following reference:

“amount of any positive Interest Amount”; and

(y) the following sentences shall be added to the end thereof:

“A Pledgor that fails to make, when due, any Transfer of an AV Negative Interest Amount (after taking into account any deemed Transfer pursuant to Paragraph 6(d)(ii)(y)) will be obligated to pay the Secured Party (to the extent permitted under applicable law) an amount equal to interest at the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero) multiplied by that AV Negative Interest Amount, from (and including) the date that AV Negative Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that AV Negative Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.”

(vii) Paragraph 11(b) thereof shall be amended as follows:

(a) the first reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “, a positive Interest Amount or AV Negative Interest Amount, as applicable,”; and

(b) the second reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “a positive Interest Amount”

(viii) If the definition of “Interest Period” set forth in Paragraph 12 thereof was not modified in Paragraph 13 thereof, then such definition shall be deleted and replaced by the following definition:

“**“Interest Period”** means the period from (and including) the last Local Business Day on which a positive Interest Amount or AV Negative Interest Amount was Transferred or deemed Transferred (or, if no positive Interest Amount or AV Negative Interest Amount has yet been Transferred or deemed Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current positive Interest Amount or AV Negative Interest Amount, as applicable, is Transferred.”

(ix) If the definition of “Interest Period” set forth in Paragraph 12 thereof was modified in Paragraph 13 thereof, then such Interest Period shall be determined as set forth in Paragraph 13 thereof in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(x) If the definition of Valuation Agent set forth in Paragraph 13(c)(i) thereof was not modified from the definition set forth in Paragraph 13(c)(i) of the 1994 New York Law CSA (other than the deletion of “as applicable” and/or “unless otherwise specified here”) and/or nothing else was otherwise specified therein that changes such definition, then such definition shall be deleted and replaced with the following provision:

“(i) **“Valuation Agent”** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and, for purposes of Paragraph 6(d), the Secured Party.”

(xi) If Paragraph 13(h)(ii) thereof was not modified from the provision set forth in Paragraph 13(h)(ii) of the 1994 New York Law CSA (other than the deletion of “unless otherwise specified here”) and/or nothing else was otherwise specified therein, then such definition shall be deleted and replaced with the following provision:

“(ii) *Transfer of Positive Interest Amount or AV Negative Interest Amount.* The Transfer of the amount of a positive Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b); and the Transfer of an AV Negative Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Secured Party pursuant to Paragraph 3(a).”

(xii) If Paragraph 13(h)(ii) thereof was modified from the provision set forth in Paragraph 13(h)(ii) of the 1994 New York Law CSA (other than the deletion of “unless otherwise specified here”) and/or another provision was specified therein, then the following sentence shall be added at the end thereof:

“The foregoing specified timing for the Transfer of Interest Amounts shall remain in effect in respect of Interest Amounts which are positive but shall also apply for the Transfer of AV Negative Interest Amounts, so that the Transfer of a positive Interest Amount and the Transfer of an AV Negative Interest Amount, as applicable, shall be

made as provided herein, regardless of whether the amount to be transferred on any date is a positive Interest Amount or an AV Negative Interest Amount.”

(xiii) The reference to “*Alternative to Interest Amount*” set forth in Paragraph 13(h)(iii) thereof shall be deleted and replaced by the following reference:

“*Alternative to Positive Interest Amount or AV Negative Interest Amount*”

**2. The following amendments shall be made to any Protocol Covered Collateral Agreement which is a 1995 English Law CSA:**

(i) Paragraph 10 thereof shall include the following additional definition:

““**AV Negative Interest Amount**” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

(ii) The reference to “Interest Amount” set forth in Paragraph 3(a) thereof shall be deleted and replaced with the following reference:

“positive Interest Amount, AV Negative Interest Amount”

(iii) The reference to “or the Interest Amount” set forth in Paragraph 5(a) thereof shall be deleted and replaced with the following reference:

“, positive Interest Amount or AV Negative Interest Amount”

(iv) Paragraph 5(c)(ii) thereof shall be deleted and replaced with the following provision:

“(ii) **Interest Amount**. Unless otherwise specified in Paragraph 11(f)(iii),

(x) if the Interest Amount for an Interest Period is a positive number, the Transferee will transfer to the Transferor at the times specified in Paragraph 11(f)(ii) such Interest Amount to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose); and

(y) if the Interest Amount for an Interest Period is a negative number, the Transferor will transfer to the Transferee at the times specified in Paragraph 11(f)(ii) the related AV Negative Interest Amount, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). If any of the Transferor's Credit Support Balance is in the form of cash in the same currency as the AV Negative Interest Amount, any AV Negative Interest Amount or portion thereof not transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred AV Negative Interest Amount”) will constitute a reduction of the Transferor's Credit Support Balance in the form of such cash; provided that if the amount of the Transferor's Credit Support Balance which is comprised of such cash is less than the Untransferred AV Negative Interest Amount, such reduction shall only be to the extent of the amount of such

cash which is part of the Transferor's Credit Support Balance and the Transferor shall remain obligated to transfer the remainder of the Untransferred AV Negative Interest Amount (such remainder, the "Unpaid AV Negative Interest Amount") to the Transferee. Any reduction of the Transferor's Credit Support Balance in the form of such cash shall be deemed to be a transfer and shall fulfill the Transferor's obligation to transfer the AV Negative Interest Amount or related portion thereof to the Transferee."

(v) Paragraph 6 thereof shall be amended such that:

(x) "and an amount equal to any Unpaid AV Negative Interest Amount, will be deemed to be an Unpaid Amount due to the Transferee (which may or may not be the Defaulting Party) for purposes of Section 6(e)" shall be added after the words "for purposes of Section 6(e)" in the first sentence thereof; and

(y) any reference to "the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance" in the second sentence thereof shall be deleted and replaced by:

"the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance minus the amount of any Unpaid AV Negative Interest Amount."

(vi) Paragraph 9(a) thereof shall be amended such that:

(x) each reference to "Interest Amount" in the first sentence thereof shall be deleted and replaced by the following reference:

"amount of any positive Interest Amount"; and

(y) the following sentence shall be added to the end thereof:

**"Default Interest.** Other than in the case of an amount which is the subject of a dispute under Paragraph 4(a), if a Transferor fails to make, when due, any transfer of an AV Negative Interest Amount (after taking into account any deemed transfer pursuant to Paragraph 5(c)(ii)(y)), it will be obliged to pay the Transferee (to the extent permitted under applicable law) an amount equal to interest at the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero) multiplied by that AV Negative Interest Amount, from (and including) the date that AV Negative Interest Amount was required to be transferred to (but excluding) the date of transfer of that AV Negative Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed."

(vii) In the definition of Credit Support Balance set forth in Paragraph 10 thereof the reference therein to "Interest Amount" shall be deleted and replaced by the following reference:

“amount of any positive Interest Amount”

(viii) If the definition of Interest Period set forth in Paragraph 10 thereof was not modified in Paragraph 11 thereof, then such definition shall be deleted and replaced by the following definition:

“***Interest Period***” means the period from (and including) the last Local Business Day on which a positive Interest Amount or an AV Negative Interest Amount was transferred or deemed transferred (or, if no positive Interest Amount or AV Negative Interest Amount has yet been transferred or deemed transferred, the Local Business Day on which Eligible Credit Support or Equivalent Credit Support in the form of cash was transferred to or received by the Transferee) to (but excluding) the Local Business Day on which the current positive Interest Amount or AV Negative Interest Amount, as applicable, is transferred.”

(ix) If the definition of “Interest Period” set forth in Paragraph 10 thereof was modified in Paragraph 11 thereof, then such Interest Period shall be determined as set forth in Paragraph 11 thereof in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(x) If Paragraph 11(f)(ii) thereof was not modified from the provision set forth in Paragraph 11(f)(ii) of the 1995 English Law CSA (other than the deletion of “unless otherwise specified here”) and/or nothing else was otherwise specified therein, then such definition shall be deleted and replaced with the following provision:

“(ii) *Transfer of Positive Interest Amount or AV Negative Interest Amount.* The transfer of a positive Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Return Amount consisting wholly or partly of cash is transferred to the Transferor pursuant to Paragraph 2(b); and the transfer of an AV Negative Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Delivery Amount consisting wholly or partly of cash is transferred to the Transferee pursuant to Paragraph 2(a).”

(xi) If Paragraph 11(f)(ii) thereof was modified from the provision set forth in Paragraph 11(f)(ii) of the 1995 English Law CSA (other than the deletion of “unless otherwise specified here”) and/or something was otherwise specified therein, then the following sentence shall be added at the end thereof:

“The foregoing specified timing for the transfer of Interest Amounts shall remain in effect for positive Interest Amounts but shall also apply for the transfer of AV Negative Interest Amounts, so that the transfer of a positive Interest Amount and the transfer of an AV Negative Interest Amount, as applicable, shall be made as provided herein, regardless of whether the amount to be transferred on any date is a positive Interest Amount or an AV Negative Interest Amount.”

(xii) The reference to “*Alternative to Interest Amount*” set forth in Paragraph 11(f)(iii) thereof shall be deleted and replaced by the following reference:

*“Alternative to Positive Interest Amount or AV Negative Interest Amount”*

**3. The following amendments shall be made to any Protocol Covered Collateral Agreement which is a 1995 English Law CSD:**

(i) Paragraph 12 thereof shall include the following additional definition:

*““AV Negative Interest Amount” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”*

(ii) The reference to “Interest Amount” set forth in Paragraph 4(b) thereof shall be deleted and replaced with the following reference:

*“positive Interest Amount, AV Negative Interest Amount”*

(iii) Paragraph 6(g)(ii) thereof shall be deleted and replaced with the following provision:

*“(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13(i)(iii), with respect to Posted Collateral in the form of cash,*

*(x) if the Interest Amount for an Interest Period is a positive number, the Secured Party will transfer to the Chargor at the times specified in Paragraph 13(i)(ii) such Interest Amount to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose); and*

*(y) if the Interest Amount for an Interest Period is a negative number, the Chargor will transfer to the Secured Party at the times specified in Paragraph 13(i)(ii) the related AV Negative Interest Amount, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). If any Posted Credit Support is in the form of cash in the same currency as the AV Negative Interest Amount, any AV Negative Interest Amount or portion thereof not transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred AV Negative Interest Amount”) will constitute a reduction of Posted Credit Support in the form of such cash; provided that if the amount of Posted Credit Support which is comprised of such cash is less than the Untransferred AV Negative Interest Amount, such reduction shall only be to the extent of the amount of such cash which is Posted Credit Support and the Chargor shall remain obligated to transfer the remainder of the Untransferred AV Negative Interest Amount to the Secured Party and will otherwise will be subject to the set-off provided in Paragraph 8(a)(ii). Any reduction of Posted Credit Support in the form of cash shall be deemed to be a transfer and shall fulfill the Chargor’s obligation to transfer the AV Negative Interest Amount or related portion thereof to the Secured Party.”*

(iv) The reference to “Interest Amount” in the last sentence of Paragraph 6(g) thereof and in the definition of Posted Collateral in Paragraph 12 shall be deleted and replaced by the following reference:

“amount of any positive Interest Amount”

(v) The reference to “or Interest Amount” set forth in Paragraph 7(ii) thereof shall be deleted and replaced with the following reference:

“, positive Interest Amount or AV Negative Interest Amount”

(vi) The reference to “the Secured Party will transfer to the Chargor all Posted Credit Support and the Interest Amount, if any.” set forth in Paragraph 8(e) thereof shall be deleted and replaced by the following reference:

“(i) “the Secured Party will transfer to the Chargor all Posted Credit Support and any positive Interest Amount, and (ii) the Chargor will transfer to the Secured Party any AV Negative Interest Amount.”

(vii) Paragraph 11(a) thereof shall be amended such that:

(x) the reference to “Interest Amount” in the first sentence thereof shall be deleted and replaced by the following reference:

“amount of any positive Interest Amount”; and

(y) the following sentence shall be added to the end thereof:

“A Chargor that fails to make, when due, any Transfer of an AV Negative Interest Amount (after taking into account any deemed transfer pursuant to Paragraph 6(g)(ii)(y)) will be obligated to pay the Secured Party (to the extent permitted under applicable law) an amount equal to interest at the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero) multiplied by that AV Negative Interest Amount, from (and including) the date that AV Negative Interest Amount was required to be transferred to (but excluding) the date of transfer of that AV Negative Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.”

(viii) Paragraph 11(b) thereof shall be amended as follows:

(a) the first reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “, a positive Interest Amount or AV Negative Interest Amount”; and

(b) the second reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “a positive Interest Amount”

(ix) If the definition of Interest Period set forth in Paragraph 12 thereof was not modified in Paragraph 13 thereof, then such definition shall be deleted and replaced by the following definition:

“**“Interest Period”** means the period from (and including) the last Local Business Day on which a positive Interest Amount or an AV Negative Interest Amount was transferred or deemed transferred (or, if no positive Interest Amount or AV Negative Interest Amount has yet been transferred or deemed transferred, the Local Business Day on which Posted Collateral in the form of cash was transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current positive Interest Amount or AV Negative Interest Amount, as applicable, is transferred.”

(x) If the definition of “Interest Period” set forth in Paragraph 12 thereof was modified in Paragraph 13 thereof, then such Interest Period shall be determined as set forth in Paragraph 13 thereof in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(xi) If the definition of Valuation Agent set forth in Paragraph 13(d)(i) thereof was not modified from the definition set forth in Paragraph 13(d)(i) of the 1995 English Law CSD (other than the deletion of “as applicable and/or “unless otherwise specified here”) and/or nothing else was otherwise specified therein that changes such definition, then such definition shall be deleted and replaced with the following provision:

“(i) **“Valuation Agent”** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and, for purposes of Paragraph 6(g), the Secured Party.”

(xii) If Paragraph 13(i)(ii) thereof was not modified from the provision set forth in Paragraph 13(i)(ii) of the 1995 English Law CSD (other than the deletion of “unless otherwise specified here”) and/or nothing else was otherwise specified therein, then such definition shall be deleted and replaced with the following provision:

“(ii) *Transfer of Positive Interest Amount or AV Negative Interest Amount.* The transfer of a positive Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Return Amount consisting wholly or partly of cash is transferred to the Chargor pursuant to Paragraph 3(b); and the transfer of an AV Negative Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Delivery Amount consisting wholly or partly of cash is transferred to the Secured Party pursuant to Paragraph 3(a).

(xiii) If Paragraph 13(i)(ii) thereof was modified from the provision set forth in Paragraph 13(i)(ii) of the 1995 English Law CSD (other than the deletion of “unless otherwise specified here”) and/or something was otherwise specified therein, then the following sentence shall be added at the end thereof:

“The foregoing specified timing for the transfer of Interest Amounts shall remain in effect for positive Interest Amounts but shall also apply for the transfer of AV Negative Interest Amounts, so that the transfer of a positive Interest Amount and the transfer of an AV Negative Interest Amount, as applicable, shall be made as provided herein, regardless of whether the amount to be transferred on any date is a positive Interest Amount or AV Negative Interest Amount.”

(xiv) The reference to “*Alternative to Interest Amount*” set forth in Paragraph 13(i)(iii) thereof shall be deleted and replaced by the following reference:

“*Alternative to Positive Interest Amount or AV Negative Interest Amount*”

**4. The following amendments shall be made to any Protocol Covered Collateral Agreement which is a 1995 Japanese Law CSA:**

(i) Paragraph 13 thereof shall include the following additional definition:

““*AV Negative Interest Amount*” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

(ii) Paragraph 6(e)(ii) thereof shall be deleted and replaced with the following provision:

“(ii) Interest Amount. Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Lending Collateral in the form of Cash (all of which may be retained by the Obligor) during any Interest Period,

(x) if the Interest Amount for such Interest Period is a positive number, the Obligor will Transfer to the Obligor at the times specified in Paragraph 13 the Interest Amount less any applicable withholding tax to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this section (x) of this Paragraph 6(e)(ii) will constitute Posted Lending Collateral in the form of Cash and will be subject to the right of Set-off granted under Paragraph 2(a); and

(y) if the Interest Amount for such Interest Period is a negative number, the Obligor will Transfer to the Obligor at the times specified in Paragraph 13 the related AV Negative Interest Amount less any applicable withholding tax, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). If any Posted Lending Collateral is in the form of Cash in the same currency as the AV Negative Interest Amount less any applicable withholding tax, any AV Negative Interest Amount less any applicable withholding tax or portion thereof not Transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred AV Negative Interest Amount”) will

constitute a reduction of Posted Lending Collateral in the form of such Cash; provided that if the amount of Posted Lending Collateral which is comprised of such Cash is less than the Untransferred AV Negative Interest Amount, such reduction shall only be to the extent of the amount of such Cash which is Posted Lending Collateral and the Obligor shall remain obligated to Transfer the remainder of the Untransferred AV Negative Interest Amount to the Obligee; and such amount will be subject to the right of Set-off granted under Paragraph 2(a);. Any reduction of Posted Lending Collateral in the form of Cash shall be deemed to be a Transfer and shall fulfill the Obligor's obligation to Transfer the related AV Negative Interest Amount less any applicable withholding tax or related portion thereof to the Obligee."

(iii) The reference to "or the Interest Amount" set forth in Paragraph 7(i) thereof shall be deleted and replaced with the following reference:

" , the amount of any positive Interest Amount, or AV Negative Interest Amount"

(iv) The reference to "Interest Amount" set forth in Paragraph 8(b)(iii) and Paragraph 8(b)(iv) thereof, and in the definition of "Posted Lending Collateral" set forth in Paragraph 12 thereof shall be deleted and replaced with the following reference:

"amount of any positive Interest Amount"

(v) The reference to "the Obligee will Transfer to the Obligor all Posted Credit Support and the Interest Amount, if any." set forth in Paragraph 8(d) thereof shall be deleted and replaced by the following reference:

"(i) "the Obligee will Transfer to the Obligor all Posted Credit Support and any positive Interest Amount, and (ii) the Obligor will transfer to the Obligee any AV Negative Interest Amount."

(vi) Paragraph 11(a) thereof shall be amended such that:

(x) each reference to "Interest Amount" in the first sentence thereof shall be deleted and replaced by the following reference:

"amount of any positive Interest Amount"; and

(y) the following sentence shall be added to the end thereof:

"An Obligor that fails to make, when due, any Transfer of an AV Negative Interest Amount (after taking into account any deemed Transfer pursuant to Paragraph 6(e)(ii)(y)) will be obligated to pay the Obligee (to the extent permitted under applicable law) an amount equal to interest at the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero) multiplied by that AV Negative Interest Amount, from (and including) the date that AV Negative Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that AV Negative Interest Amount. This

interest will be calculated on the basis of daily compounding and the actual number of days elapsed.”

(vii) Paragraph 11(b) thereof shall be amended as follows:

(a) the first reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “, a positive Interest Amount or AV Negative Interest Amount”; and

(b) the second reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “a positive Interest Amount”

(viii) If the definition of Interest Period set forth in Paragraph 12 thereof was not modified in Paragraph 13 thereof, such definition shall be deleted and replaced by the following definition:

“**“Interest Period”** means the period from (and including) the last Local Business Day on which a positive Interest Amount or an AV Negative Interest Amount was Transferred or deemed Transferred (or, if no positive Interest Amount or an AV Negative Interest Amount has yet been Transferred or deemed Transferred, the Local Business Day on which Posted Lending Collateral in the form of cash was Transferred to or received by the Obligee) to (but excluding) the Local Business Day on which the current positive Interest Amount or an AV Negative Interest Amount, as applicable, is Transferred.”

(ix) If the definition of “Interest Period” set forth in Paragraph 12 thereof was modified in Paragraph 13 thereof, then such Interest Period shall be determined as set forth in Paragraph 13 thereof in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(x) The reference to “or Interest Amount” set forth in the definition of “Transfer” set forth in Paragraph 12 thereof shall be deleted and replaced with the following reference:

“, positive Interest Amount, or an AV Negative Interest Amount”

(xi) If the definition of Valuation Agent set forth in Paragraph 13(c)(i) thereof was not modified from the definition set forth in Paragraph 13(c)(i) of the 1995 Japanese Law CSA (other than the deletion of “as applicable” and/or “unless otherwise specified here”) and/or nothing else was otherwise specified therein that changes such definition, then such definition shall be deleted and replaced with the following provision:

“(i) “Valuation Agent” means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, for purposes of Paragraph 4(d)(ii), the Obligee, and, for purposes of Paragraph 6(e), the Obligee.”

(xii) If Paragraph 13(h)(ii) thereof was not modified from the provision set forth in Paragraph 13(h)(ii) of the 1995 Japanese Law CSA (other than the deletion of “unless

otherwise specified here”) and/or nothing else was otherwise specified therein, then such definition shall be deleted and replaced with the following provision:

“(ii) *Transfer of Positive Interest Amount or AV Negative Interest Amount.* The Transfer of a positive Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that that Posted Lending Collateral in the form of Cash is Transferred to the Obligor pursuant to Paragraph 3(b); and the Transfer of an AV Negative Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Delivery Amount consisting wholly or partly of cash is transferred to the Obligees pursuant to Paragraph 3(a).”

(xiii) If Paragraph 13(h)(ii) thereof was modified from the provision set forth in Paragraph 13(h)(ii) of the 1995 Japanese Law CSA (other than the deletion of “unless otherwise specified here”) and/or something was otherwise specified therein, then the following sentence shall be added at the end thereof:

“The foregoing specified timing for the transfer of Interest Amounts shall remain in effect for positive Interest Amounts but shall also apply for the transfer of an AV Negative Interest Amounts, so that the transfer of a positive Interest Amount and the Transfer of an AV Negative Interest Amount, as applicable, shall be made as provided herein, regardless of whether the amount to be transferred on any date is a positive Interest Amount or an AV Negative Interest Amount.”

(xiv) The reference to “*Alternative to Interest Amount*” set forth in Paragraph 13(h)(iii) thereof shall be deleted and replaced by the following reference:

“*Alternative to Positive Interest Amount or AV Negative Interest Amount*”

**5. The following amendments shall be made to any Protocol Covered Collateral Agreement which is a 2008 Japanese Law CSA:**

(i) Paragraph 12 thereof shall include the following additional definition:

““*AV Negative Interest Amount*” means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

(ii) Paragraph 6(e)(ii) thereof shall be deleted and replaced with the following provision:

“(ii) *Interest Amount.* Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Lending Collateral in the form of Cash (all of which may be retained by the Obligees) during any Interest Period,

(x) if the Interest Amount for such Interest Period is a positive number, the Obligees will Transfer to the Obligor at the times specified in Paragraph 13 the

Interest Amount less any applicable withholding tax to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this section (x) of this Paragraph 6(e)(ii) will constitute Posted Lending Collateral in the form of cash. The provisions of Section 2(d) of the Agreement shall not apply with respect to payment of the Interest Amount under this Annex, and any withholding tax which may be imposed on the Interest Amount shall not constitute an Indemnifiable Tax under the Agreement; provided, however, that this provision shall not diminish or extinguish any obligation of the parties under Section 4(a)(iii) of the Agreement.; and

(y) if the Interest Amount for such Interest Period is a negative number, the Obligor will Transfer to the Obligees at the times specified in Paragraph 13 the related AV Negative Interest Amount less any applicable withholding tax, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). If any Posted Lending Collateral is in the form of Cash in the same currency as the AV Negative Interest Amount less any applicable withholding tax, any AV Negative Interest Amount less any applicable withholding tax or portion thereof not Transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred AV Negative Interest Amount”) will constitute a reduction of Posted Lending Collateral in the form of such Cash; provided that if the amount of Posted Lending Collateral which is comprised of such Cash is less than the Untransferred AV Negative Interest Amount, such reduction shall only be to the extent of the amount of such Cash which is Posted Lending Collateral and the Obligor shall remain obligated to Transfer the remainder of the Untransferred AV Negative Interest Amount to the Obligees. Any reduction of Posted Lending Collateral in the form of Cash shall be deemed to fulfill the Obligor’s obligation to Transfer the related AV Negative Interest Amount less any applicable withholding tax or related portion thereof to the Obligees. The provisions of Section 2(d) of the Agreement shall not apply with respect to payment of the AV Negative Interest Amount under this Annex, and any withholding tax which may be imposed on the AV Negative Interest Amount shall not constitute an Indemnifiable Tax under the Agreement; provided, however, that this provision shall not diminish or extinguish any obligation of the parties under Section 4(a)(iii) of the Agreement.”

(iii) The reference to “or the Interest Amount” set forth in Paragraph 7(i) thereof shall be deleted and replaced with the following reference:

“, the positive Interest Amount, or the AV Negative Interest Amount”

(iv) Each reference to “Interest Amount” set forth in Paragraph 8(a)(vi) thereof and in the definition of “Posted Lending Collateral” set forth in Paragraph 12 thereof shall be deleted and replaced with the following reference:

“positive Interest Amount”

(v) The reference to “the Obligees will Transfer to the Obligor all Posted Credit Support and the outstanding Interest Amount for the current Interest Period, if any.” set forth in Paragraph 8(c) thereof shall be deleted and replaced by the following reference:

“(i) “the Obligees will Transfer to the Obligor all Posted Credit Support and the outstanding positive Interest Amount for the current Interest Period, if any, and (ii) the Obligor will Transfer to the Obligees the outstanding AV Negative Interest Amount, if any.”

(vi) Paragraph 11(a) thereof shall be amended such that:

(x) each reference to “Interest Amount” in the first sentence thereof shall be deleted and replaced by the following reference:

“positive Interest Amount”; and

(y) the following sentence shall be added to the end thereof:

(vii) “An Obligor that fails to make, when due, any Transfer of an AV Negative Interest Amount (after taking into account any deemed Transfer pursuant to Paragraph 6(e)(ii)(y)) will be obligated to pay the Obligees (to the extent permitted under applicable law) an amount equal to interest at the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero) multiplied by that AV Negative Interest Amount, from (and including) the date that AV Negative Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that AV Negative Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.” Paragraph 11(b) thereof shall be amended as follows:

(a) the first reference therein to “an Interest Amount” shall be deleted and replaced with the following reference: “, a positive Interest Amount or AV Negative Interest Amount”; and

(b) the second reference therein to “Interest Amount” shall be deleted and replaced with the following reference: “positive Interest Amount”

(viii) If the definition of Interest Period set forth in Paragraph 12 thereof was not modified in Section 13 thereof, such definition shall be deleted and replaced by the following definition:

“***Interest Period***” means the period from (and including) the last Local Business Day on which a positive Interest Amount or an AV Negative Interest Amount was Transferred or deemed Transferred (or, if no positive Interest Amount or AV Negative Interest Amount has yet been Transferred or deemed Transferred, the Local Business Day on which Posted Lending Collateral in the form of cash was Transferred to or received by the Obligees) to (but excluding) the Local Business Day on which the current positive Interest Amount or AV Negative Interest Amount, as applicable, is Transferred.”

(ix) If the definition of “Interest Period” set forth in Paragraph 12 thereof was modified in Paragraph 13 thereof, then such Interest Period shall be determined as set forth in Paragraph 13 thereof in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(x) The reference to “or Interest Amount” set forth in the definition of “Transfer” set forth in Paragraph 12 thereof shall be deleted and replaced with the following reference:

“, positive Interest Amount, or AV Negative Interest Amount”

(xi) If the definition of Valuation Agent set forth in Paragraph 13(c)(i) thereof was not modified from the definition set forth in Paragraph 13(c)(i) of the 2008 Japanese Law CSA (other than the deletion of “as applicable” and/or “unless otherwise specified here”) and nothing else was otherwise specified therein that changes such definition, then such definition shall be deleted and replaced with the following provision:

“(i) “Valuation Agent” means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, for purposes of Paragraph 4(d)(ii), the Oblige, and, for purposes of Paragraph 6(e), the Oblige.”

(xii) If Paragraph 13(h)(ii) thereof was not modified from the provision set forth in Paragraph 13(h)(ii) of the 2008 Japanese Law CSA (other than the deletion of “unless otherwise specified here”) and nothing else was otherwise specified therein, then such definition shall be deleted and replaced with the following provision:

“(ii) *Transfer of Positive Interest Amount or Absolute Value of Negative Interest Amount.* The Transfer of a positive Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that that Posted Lending Collateral in the form of cash is Transferred to the Obligor pursuant to Paragraph 3(b); and the Transfer of an AV Negative Interest Amount will be made on the last Local Business Day of each calendar month and on any Local Business Day that a Delivery Amount consisting wholly or partly of cash is transferred to the Oblige pursuant to Paragraph 3(a).”

(xiii) If Paragraph 13(h)(ii) thereof was modified from the provision set forth in Paragraph 13(h)(ii) of the 2008 Japanese Law CSA (other than the deletion of “unless otherwise specified here”) and/or something was otherwise specified therein, then the following sentence shall be added at the end thereof:

“The foregoing specified timing for the transfer of Interest Amounts shall remain in effect for positive Interest Amounts but shall also apply for the transfer of AV Negative Interest Amounts, so that the transfer of a positive Interest Amount and the Transfer of an AV Negative Interest Amount, as applicable, shall be made as provided herein, regardless of whether the amount to be transferred on any date is a positive Interest Amount or an AV Negative Interest Amount.”

(xiv) The reference to “*Alternative to Interest Amount*” set forth in Paragraph 13(h)(iii) thereof shall be deleted and replaced by the following reference:

*“Alternative to Positive Interest Amount or AV Negative Interest Amount”*

**6. The following amendments shall be made to any Protocol Covered Collateral Agreement which is the 2001 Margin Provisions:**

(i) Part 5 thereof shall include the following additional definition:

**““AV Negative Interest Amount”** AV Negative Interest Amount means, in respect of any negative Interest Amount, the absolute value of such negative Interest Amount.”

(ii) The reference to “or any Interest Amount” set forth in Section 1.4(b)(i)(C) thereof shall be deleted and replaced with the following reference:

“, any positive Interest Amount, or any AV Negative Interest Amount”

(iii) Section 1.8(c) thereof shall be deleted and replaced with the following provision:

**“(c) Interest Amount.**

(i) In lieu of any interest or other amounts paid or deemed to have been paid with respect to Margin Received in the form of Cash (all of which may be retained by the Taker),

(x) if the Interest Amount for an Interest Period is a positive number, the Taker will Transfer the Interest Amount to the Provider. The Taker is required to Transfer a positive Interest Amount only to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Taker (and the date of calculation will be deemed to be a Valuation Date for this purpose); and

(y) if the Interest Amount for an Interest Period is a negative number, the Provider will Transfer the related AV Negative Interest Amount to the Taker. If any Margin Received held by the Taker is in the form of Cash in the same currency as the AV Negative Interest Amount, any AV Negative Interest Amount or portion thereof not Transferred pursuant to this subsection (y) of this Paragraph (the “Untransferred AV Negative Interest Amount”) will constitute a reduction of Margin Received held by the Taker in the form of such Cash; provided that if the amount of Margin Received held by the Taker which is comprised of such Cash is less than the Untransferred AV Negative Interest Amount, such reduction shall only be to the extent of the amount of such Cash which is Margin Received held by the Taker and the Provider shall remain obligated to Transfer the remainder of the Untransferred AV Negative Interest Amount to the Taker. Any reduction of Margin Received held by the Taker in the form of Cash shall be deemed to be a Transfer and shall fulfill the Provider’s obligation to Transfer the related AV Negative Interest Amount or related portion thereof to the Taker.”

(ii) The Transfer of a positive Interest Amount or an AV Negative Interest Amount, as applicable, will be Initiated no later than two Margin Business Days after the end of the relevant Interest Period. The positive Interest Amount and the AV Negative Interest Amount, as applicable, will be determined by the Taker based on the principal amount of Margin Received in the form of Cash held by the Taker on each day in an Interest Period. The Interest Amount will be computed for each Interest Period on a simple basis, unless otherwise provided for in the Supplement.

If Eligible Margin in the form of Cash is received after 5:00 p.m. in the location of the Taker, and interest is positive for such day, then interest will begin to accrue on the following Margin Business Day, unless that Taker is, in the ordinary course of business, able to invest the Cash so received on an overnight basis; and if Eligible Margin in the form of Cash is received after 5:00 p.m. in the location of the Taker and such interest is negative for such day, then interest will begin to accrue on such day.”

(iv) Section 1.10(b) thereof shall be amended such that:

(x) the reference to “an Interest Amount” in the first sentence thereof shall be deleted and replaced by the following reference:

“a positive Interest Amount”;

(y) the reference to “Interest Amount” in the second sentence thereof shall be deleted and replaced by the following reference:

“positive Interest Amount,”; and

(z) the following sentence shall be added to the end thereof:

“A Provider that fails to make, when due, any Transfer of an AV Negative Interest Amount (after taking into account any deemed Transfer pursuant to Section 1.8(c)(i)(y)) will be obligated to compensate the Taker. The Provider must pay the Taker (to the extent permitted under applicable law) interest on the Value of the Cash that was required to be Transferred, from (and including) the date that such AV Negative Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that AV Negative Interest Amount, at a rate per annum equal to the Default Rate (and for such purposes, if the Default Rate is less than zero, it shall be deemed to be zero). Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.”

(v) The reference to “Interest Amount” in the last sentence of Section 2.1 thereof shall be deleted and replaced by the following reference:

“amount of any positive Interest Amount”

(vi) Each reference to “Interest Amount” set forth in Section 2.4(c), Section 4.1(b)(iii) and Section 5.29 thereof shall be deleted and replaced with the following reference:

“positive Interest Amount”

(vii) The reference to “or Interest Amount” set forth in Section 3.1(a) thereof shall be deleted and replaced with the following reference:

“, positive Interest Amount, or AV Negative Interest Amount”

(viii) The following sentence shall be added to the end of Section 5.22 thereof:

“The Interest Amount for each Interest Period shall be determined by the Taker.”

(ix) If the definition of Interest Period set forth in Section 5.23 thereof was not modified in a Supplement thereto (other than a specification therein of Interest Period end dates), then such definition shall be deleted and replaced by the following definition:

““Interest Period” means the period from (and including) the last Margin Business Day on which a positive Interest Amount or an AV Negative Interest Amount was Transferred or deemed Transferred (or, if no positive Interest Amount or AV Negative Interest Amount has yet been Transferred or deemed Transferred, the Margin Business Day on which Margin Received in the form of Cash was Transferred to or received by the Taker) to (but excluding) the days specified in the Supplement as the end dates for the Interest Period. For these purposes, Margin Business Day means a Margin Business Day in the location of the Taker.”

(x) If the definition of “Interest Period” set forth in Section 5.23 thereof was modified in a Supplement thereto (other than a specification therein of Interest Period end dates), then such Interest Period shall be determined as set forth in such Supplement thereto in respect of an Interest Amount, regardless of whether it is positive or negative for that Interest Period.

(xi) Each reference to “[Interest Amount]” set forth in Appendix C and Appendix D thereof shall be deleted and replaced with the following reference:

“[Interest Amount][AV Negative Interest Amount]”