



## JPM Emerging Markets Notes 2014 – credit linked to Morgan Stanley and equity linked to a basket of indices

*Not for circulation in the United States or to U.S. persons.*

### INDICATIVE TERMS AND CONDITIONS

The Notes constitute high-risk products without capital protection and, accordingly, you may not receive back your entire investment. Following the occurrence of a credit event (as described below) and certain other events you may receive back a substantially lower principal amount. You should seek investment, tax and legal advice before making any decision to invest in the Notes. A prospective purchaser of the Notes described herein must carefully consider the risks associated with any investment in the Notes. See “Risk Disclosure” in this termsheet.

Certain capitalised terms used herein are defined by reference to ISDA documentation. See “Defined Terms” at the end of this termsheet.

The Issue Price may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which J.P. Morgan Securities Ltd. or any other person is willing to purchase the securities in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices may exclude such amounts. In addition, whilst the proprietary pricing models of J.P. Morgan Securities Ltd. are based on well recognized financial principles, other market participants' pricing models may differ or produce a different result.

#### Deal Rationale

These 6-year EUR denominated Notes (the “Notes”), provide you with exposure to the reference entity (Morgan Stanley) specified in Schedule A (the “Reference Entity”), using credit derivatives as the method of risk transfer. At maturity these notes will redeem at 94% of the Principal Amount in the absence of a Credit Event in relation to the Reference Entity. In addition, these Notes provide exposure to a Basket such that there may be an additional payout at maturity depending on the performance of the Basket, as set out in this term sheet.

#### Key Features of the Notes

**Credit-Linked Risk:** The interest you receive on the Notes and the amount of capital repaid to you at maturity will be determined by reference to the credit of the Reference Entity. The capital paid on the Notes will be reduced if a credit event (as described below) occurs in relation to the Reference Entity. The Notes are “credit-linked” to the Reference Entity in that there is no direct investment in the Reference Entity by the Issuer.

**Early Redemption:** The Notes may be redeemed early:

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- if the Issuer fails to pay any amounts or otherwise meet its obligations under the Notes;
- in the event of certain tax changes.

### How a Credit Event Works

**Credit Event:** A “credit event” means the occurrence of one of a number of specific events in relation to the Reference Entity and / or certain of its obligations. Credit Events may include:

- a failure by the Reference Entity to pay amounts in respect of its borrowings;
- certain restructuring events, such as a reduction in the rate of interest or principal or a deferral of payments, relating to borrowings of the Reference Entity;
- bankruptcy, insolvency, winding-up or similar events affecting the Reference Entity;

The determination of a credit event will be made by the Issuer and confirmed in a credit event notice from the Issuer to the Noteholders that (i) describes the credit event; and (ii) cites Publicly Available Information (as defined below) confirming the occurrence of the Credit Event. The full list of credit events are set out in the Final Terms relating to the Notes.

### **A: INDICATIVE TERMS AND CONDITIONS**

The following summary describes the principal financial terms of the Notes and is intended to assist you in understanding the Notes. It is qualified in its entirety by, and should be read in conjunction with, the full terms and conditions of the Notes which can be found in the [“Related Documentation”](#) described below.

Issuer	J.P. Morgan Structured Products B.V.
Guarantor	JPMorgan Chase Bank, N.A.
Lead Manager	J.P. Morgan Securities Ltd.
Programme	JPMorgan Structured Products Programme
Form of Notes	Bearer
Settlement:	Cash Settlement
Trade Date	28 Feb 2008
Issue Date	13 Mar 2008
Scheduled Maturity Date	14 Mar 2014
Principal Amount	EUR [3,000,000]
Denomination	EUR 1,000
Issue Price	100%
Reference Entity	The Reference Entity specified in Schedule A, and any Successors of it
Interest Rate	N/A
Total Redemption Amount	94% of the Principal Amount (the “Redemption Amount”) plus the Equity Redemption Amount on the Scheduled Maturity Date except upon the occurrence of a Credit Event or an event constituting Early Redemption (an “Early Redemption Event”) as described in the Issuer’s programme documents (the “Programme Documents”)

### **Credit Terms:**



**Redemption following  
Credit Event**

1. If (a) a Credit Event occurs, or (b) a Potential Failure to Pay exists on the Scheduled Credit Observation End Date and a Failure to Pay subsequently occurs, the Notes will redeem on the Revised Maturity Date at the Revised Redemption Amount
2. If a Potential Failure to Pay exists on the Scheduled Credit Observation End Date and is subsequently cured within the applicable Grace Period, the Notes will redeem at the Total Redemption Amount 5 Business Days following the date of cure, and no other amount shall be payable in respect of the delay in payment
3. The Conditions to Payment may only be satisfied once in relation to the Reference Entity subject to the terms of Settlement following Restructuring. Upon satisfaction of the Conditions to Payment with respect to the Reference Entity, the Issuer shall have no further rights or obligations with respect to the Reference Entity.

Revised Maturity Date      The latest of (i) the Scheduled Maturity Date; and (ii) 5 Business Days following the determination of the Revised Redemption Amount

Revised Redemption Amount      The sum of (i) Credit Position multiplied by the following percentage: 100% minus the Credit Loss; and (ii) the Equity Redemption Amount; each as determined by the Calculation Agent and subject to a minimum of zero

Credit Position      94% of the Principal Amount of the Notes

Credit Loss      The difference between 100% and the Final Price of the relevant Reference Obligation, as determined by the Calculation Agent

Calculation Agent      JPMorgan Chase Bank

Whenever the Calculation Agent is required to act or to exercise judgment in respect of any of the "Credit Terms", it will do so in good faith and in a commercially reasonable manner

Final Price      As determined by the Calculation Agent, in accordance with the Valuation Method on the basis of the bid quotations (exclusive of any accrued interest and expressed as a percentage) for the relevant Reference Obligation as determined on the Valuation Date by the Calculation Agent. Final Price may be determined after the Valuation Date as more fully described in the final documentation.

Final Valuation Date      The Final Valuation Date shall be the later of the date on which the Final Price is determined and the last day of the Liquidation Period

Valuation Method      [Market]

Valuation Time      Any time determined by the Calculation Agent on the Valuation Date

Quotation Amount      Any amount not greater than 94% of the Principal Amount, as selected by the Calculation Agent

Additional Specified Currencies      None

Additional Public Sources      None

Other terms      For the purposes of the Notes, the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement and the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity (published on 21 January 2005) (together, the "2003 Definitions") shall be subject to amendment as described in the Credit Annex attached

**Equity Terms:**

Basket

i	Weight (w <sub>i</sub> )	Bloomberg code	Asset <sub>i</sub>
1	15%	CECEEUR Index	CECE INDEX EUR
2	5%	RDX Index	RDX – RUSSIAN DEPOSITARY INDEX
3	5%	XU030 Index	ISE NATIONAL 30 (TRY)
4	15%	HSI Index	HANG SENG INDEX
5	15%	NKY Index	NIKKEI 225 Index
6	15%	KOSPI2 Index	KOSPI 200 INDEX
7	5%	SET50 Index	THAILAND SET 50 INDEX
8	15%	TWY Index	MSCI TAIWAN INDEX
9	5%	NDEUPHF Index	MSCI DAILY TR NET EMERGING MARKETS PHILIPPINES
10	5%	D1AT Index	DBIX DEUTSCHE BOERSE INDIA PRICE

Initial Equity Valuation Date 28 Feb 2008

Final Equity Valuation Date 28 Feb 2014

Equity Redemption Amount In respect of each Note, a EUR denominated amount determined by the Calculation Agent on the Final Equity Valuation Date as follows:

Principal Amount x Option Payout

Option Payout MAX(0, Weighted Basket Differential)

Weighted Basket Differential  $\sum_{i=1}^{10} (w_i \times AssetDifferential_i)$

Asset Differential<sub>i</sub> (Asset Final<sub>i</sub>/Asset Initial<sub>i</sub>) – 94%  
i=1 to 10

Asset Initial<sub>i</sub> The Official Closing Level for Asset<sub>i</sub> on the Initial Equity Valuation Date  
i = 1 to 10

Asset Final<sub>i</sub> The arithmetic average of the Official Closing Level for Asset<sub>i</sub> on each of the Averaging Dates  
i = 1 to 10

Averaging Dates The 28 day in each month, from and including 28 Feb 2011 to and including the Final Equity Valuation Date (37 Averaging Dates in total) or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day

Business Days Target, London

Clearing Euroclear, Clearstream

Listing None

ISIN Code XS0350680319

Common Code [Tbd]

Rating None

Governing Law English Law

Selling Restrictions Investors are required to inform themselves of, and comply with, the restrictions on sales of the Notes set out in the Programme Documents which include:

US, UK and the jurisdiction of the Issuer



Related Documentation

This term sheet must be read in conjunction with: (i) the Base Prospectus in respect of the J.P. Morgan Structured Products B.V., J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank, N.A. Structured Products Programme for the issuance of Notes, Warrants and Certificates (including Instruments with a denomination per unit of less than EUR 50,000) dated 23 May 2007 (as may be further supplemented and amended from time to time, up to, and including, the Issue Date of any Instruments) (the "Base Prospectus" and "JPMorgan Structured Products Programme" respectively) and (ii) the corresponding Final Terms for this specific issuance of Instruments (the "Final Terms" and together with the Base Prospectus, the "Related Documentation").

**Disclosure of Commission or Fees**

The purchaser or, if applicable, introducing broker of these securities acknowledges and agrees that it shall fully disclose to its clients the existence, nature and amount of any commission or fee paid or payable to it by JPMorgan (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to it, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) (MiFID), or as otherwise may apply in any non-EEA jurisdictions.

**Defined Terms**

The terms of the Notes are based on the definitions and provisions contained in the 2006 ISDA Definitions, the 2003 Definitions and the 2002 ISDA Equity Derivatives Definitions (together, the "Definitions"), subject to amendment as set out herein and in the Credit Provisions Annex (the "Credit Annex") attached. In the event of any inconsistency between the Definitions, the Credit Annex and this termsheet, this termsheet will govern.



### **Risk Factors**

**Investing in the Notes involves a number of risks. See “Key Risks” below, together with “Risk Factors” as set out in the Base Prospectus and the Final Terms prepared in respect of the Notes. You may get electronic copies of the Base Prospectus from the Luxembourg Stock Exchange’s website (<http://www.bourse.lu>).**

*A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes in the context of the investor’s financial situation. Investment in the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. A prospective purchaser shall be responsible for assessing the legality and suitability of an investment by it in the Notes.*

*A prospective purchaser of the Notes should consult with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that it deems necessary, and make its own investment, hedging and trading decisions including decisions regarding the suitability of this investment based upon their own judgement and upon advice from such advisers as they deem necessary and not upon any view expressed by the Issuer, JPMorgan, the Calculation Agent or any of their affiliates.*

### **Key Risks**

The following list of risk factors is not exhaustive and you should also refer to the Base Prospectus and the Final Terms. You should thoroughly review those risk factors and consult with your professional advisors.

**No Principal Protection:** The Notes are not principal protected and the Investor may lose all of the initial investment if a Credit Event occurs.

**Reinvestment Risk:** The investor is exposed to the risk of reinvestment at potentially lower interest rates in case the Notes are redeemed prior to maturity.

**Liquidity Risk:** The Notes are designed to be held until maturity. The price at which you will be able to sell your Notes to us or our affiliates prior to maturity, if at all, may be at a substantial discount from the principal amount of the Notes, even in case where the value of the Basket has appreciated since the Initial Equity Valuation Date. The potential returns described in this termsheet assume that your Notes, which are not designed to be short-term trading instruments, are held to maturity.

**Rating:** The Notes are not rated. The Notes may not benefit from the same ratings assigned to other obligations issued or entered into by the Issuer.

**Credit-Linked Risk:** The amount of capital repaid to you at maturity will be determined by reference to the credit of the Reference Entity. The capital paid on the Notes will be reduced if a credit event occurs in relation to the Reference Entity. The Notes are (i) “credit-linked” to the Reference Entity in that there is no direct investment in the Reference Entity by the Issuer, and (ii) a credit event occurring in relation to the Reference Entity will substantially reduce the capital repaid to you on the entire principal amount of the Notes.

**Actions of the Reference Entity:** Corporate actions of the Reference Entity (for example, merger or demerger) or the repayment or transfer of indebtedness of the Reference Entity may adversely affect the value of the Notes. Factual situations may arise in which the views of market participants and/or legal counsel may differ as to how the contractual terms of market standard credit default swaps, and corresponding provisions of the Notes, should be interpreted, or in which such contractual terms and such provisions may operate in a manner contrary to the expectations of market participants and/or adversely to the interests of holders of the Notes.

**Designation of Credit Events:** The Issuer will have discretion in determining when and whether to trigger redemption of the Notes on the basis of a Credit Event. It will exercise such discretion in the interests of itself and its affiliates, and not



in the interests of investors. Information relating to Credit Events will be derived from public sources which may or may not be accessible to all Noteholders.

**"Cheapest to Deliver" Risk:** The Issuer will have discretion in selecting Reference Obligations for valuation following the occurrence of a Credit Event, subject to, amongst other things, compliance with the applicable specified Reference Obligation Category and Reference Obligation Characteristics. In exercising such discretion, it is likely to select for such purpose eligible obligations having the lowest possible market value, resulting in an increased credit loss for holders of the Notes.

**Delayed Maturity:** In certain circumstances – for example where a Credit Event occurs and the related credit loss has not been determined as at the scheduled maturity of the Notes, or where a Potential Failure to Pay exists as at such scheduled maturity, the maturity of the Notes will be extended without compensation to the investors. The period of such deferral may be significant.

**Valuation:** Following the occurrence of a Credit Event, the Calculation Agent is required to seek quotations in respect of selected Reference Obligations. Quotations obtained will be "bid-side" – that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially affected by illiquidity in the relevant markets. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available.

**Compounding of Risks:** Risks relating to the Notes may be correlated and the effect of such compounded risks may be unpredictable.

**Representations:** No person has been authorised to give any information or make any representation not contained in or not consistent with this termsheet, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, JPMorgan, the Calculation Agent or any of their affiliates.

**Concerning the Calculation Agent:**

- (i) *All calculations and determinations made by the Calculation Agent in relation to the Notes shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer, the agents appointed under the Agency Agreement and the Noteholders.*
- (ii) *In selecting a substitute Reference Entity, any Valuation Date, any Quotation Amount or any Valuation Time or in making any other selection in accordance with the terms of the Notes, the Calculation Agent is under no obligation to the Noteholders or any other person and provided that the relevant selection meets the criteria specified, the Calculation Agent (in whatsoever capacity) will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.*

THE FINANCIAL INSTRUMENTS DISCUSSED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE AT ANY TIME OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED, TRANSFERRED, EXCHANGED, EXERCISED OR REDEEMED WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON (AS DEFINED IN THE ACT OR THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED). THE FINANCIAL INSTRUMENTS ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATIONS UNDER THE ACT AND MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY US PERSON.

**WARNING NOTICE**

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(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to these securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities acting for own account and not with a view to resale which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities for own account and not with a view to resale;

(c) at any time to any legal entity acting for own account and not with a view to resale which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000 as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;

**For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.**



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**SCHEDULE A**

	<b>Reference Entities</b>	<b>Benchmark Obligation</b>	<b>Applicable Trading Standards</b>
1.	MORGAN STANLEY	[[ISIN: US617446HC69 CUSIP: 617446HC6]	North American



**NORTH AMERICAN TRADING STANDARDS ANNEX.**

Business Day: London and New York

Credit Events: The following Credit Events shall apply with respect to Reference Entities to which North American Trading Standards apply:

Bankruptcy (except with respect to any Reference Entity that is a Sovereign)

Failure to Pay

Payment Requirement: USD 1,000,000

Restructuring

Multiple Holder Obligation: Applicable

Default Requirement: USD 10,000,000

Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable

Obligation(s): For the purposes of the table below;

"Yes" shall mean that the relevant selection is applicable; and "No" shall mean that the relevant selection is not applicable.

	Obligation Categories		Obligation Characteristics
No	Payment	No	Not Subordinated
Yes	Borrowed Money	No	Specified Currency - Standard Specified Currencies
No	Reference Obligation(s) Only	No	Not Sovereign Lender
No	Bond	No	Not Domestic Currency
No	Loan	No	Not Domestic Law
No	Bond or Loan	No	Listed
		No	Not Domestic Issuance

Excluded Obligations: None

All Guarantees: Not Applicable

Deliverable Obligation(s): For the purposes of the table below;

"Yes" shall mean that the relevant selection is applicable; and



"No" shall mean that the relevant selection is not applicable

Deliverable Obligation Categories	Deliverable Obligation Characteristics
No Payment	Yes Not Subordinated
No Borrowed Money	Yes Specified Currency - Standard Specified Currencies
No Reference Obligation(s) Only	No Not Sovereign Lender
No Bond	No Not Domestic Currency
No Loan	No Not Domestic Law
Yes Bond or Loan	No Listed
	Yes Not Contingent
	No Not Domestic Issuance
	Yes Assignable Loan
	Yes Consent Required Loan
	No Direct Loan Participation
	Qualifying Participation Seller:
	Yes Transferable
	Yes, Maximum Maturity
	30
	years
	No Accelerated or Matured
	Yes Not Bearer

Excluded Deliverable Obligations: None

Deliverable Obligations: Exclude Accrued Interest

Section 3.9 of the 2003 Definitions: Applicable

Physical Settlement: Where Physical Settlement is applicable the following terms shall also apply:

Physical Settlement Period: As specified in Section 8.6 of the 2003 Definitions, but in no event longer than 30 Business Days.

Additional Condition to Settlement: Notice of Physical Settlement.

Cap on Settlement Fallback Not Applicable



**CREDIT ANNEX TO THE TERMSHEET**

**CREDIT AND VALUATION PROVISIONS**

**Capitalised terms used in this section and not otherwise defined herein or in the Principal Terms, shall, subject to the terms hereof, have the meanings given to them in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement and the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity (published on 21 January 2005) (together, the “2003 Definitions”). For the purposes only of determining whether an obligation satisfies the definition of Reference Obligation it shall be deemed that each reference in the 2003 Definitions to (a) Delivery Date shall be deemed to be a reference to the Valuation Date, (b) Reference Obligation shall be deemed to be a reference to Benchmark Obligation, and (c) Physical Settlement shall be deemed to be a reference to Cash Settlement.**

**This is a summary of certain provisions only of the Credit Provisions Annex (Unrated) (Version 1.0) (the “Credit Provisions”), and is qualified in its entirety by the more detailed provisions of the Credit Provisions.**

**References herein to “Principal Terms” are to the provisions of the termsheet to which this Credit Annex is attached.**

**Credit Event:** *Credit Event* means the determination by the Calculation Agent that Publicly Available Information exists confirming the existence or occurrence on or before the Credit Observation End Date in respect of any Reference Entity or any Obligation of any Reference Entity of any of the events specified as being Credit Events applicable to such Reference Entity in the relevant Trading Standards Annex except where, if Failure to Pay or Repudiation/Moratorium are applicable, the Credit Event is a Failure to Pay or Repudiation/Moratorium following a Potential Failure to Pay or Potential Repudiation/Moratorium (as the case may be) which existed at the Credit Observation End Date, where the Publicly Available Information may confirm the existence or occurrence after the Credit Observation End Date of the relevant event.

The event the subject of the Credit Event need not be continuing on the Credit Event Date nor on the date the Noteholders are notified by the Principal Paying Agent on behalf of the Company of the determination by the Calculation Agent of the existence or occurrence of a Credit Event.

**Calculation Agent:** *Calculation Agent* means, in respect of the Notes, the Determination Agent, and in respect of the Swap Agreement, the “Calculation Agent” specified in the Swap Agreement.

**Potential Failure to Pay:** Unless specified otherwise in the Principal Terms, Applicable

**Potential Repudiation/Moratorium:** If Repudiation/Moratorium is specified as a Credit Event in the Principal Terms, Applicable

**Valuation Date:** *Valuation Date* means any Business Day selected in the sole discretion of the Calculation Agent from the date on or following which a Credit Event occurred to the 125<sup>th</sup> Business Day following the date on which a Credit Event occurred. The Calculation Agent will select as a Valuation Date a day falling on or before the 72<sup>nd</sup> Business Day following the date on which a Credit Event occurred unless it determines in good faith that material problems exist in the market place in delivering obligations of the relevant Reference Entity under credit default swap contracts in which case it may select a Valuation Date falling after the 72<sup>nd</sup> but not later than the 125<sup>th</sup> Business Day after such date.



Restructuring Event:	<p>Where in the Trading Standards Annex relating to a Reference Entity Restructuring is specified as a Credit Event and Multiple Credit Event Notices is stated to be applicable, <i>Restructuring Event</i> means:</p> <p>Following the service of a Credit Event Notice, the Calculation Agent may designate a series of Valuation Dates (or, throughout this definition, Last Permissible Physical Settlement Dates for Physically Settled Trades) each in respect of any part of the Credit Position of the relevant Reference Entity (but in aggregate not exceeding such Credit Position) up to 125 Business Days following the Scheduled Maturity Date.</p> <p>For Single Name Transactions:</p> <p>Upon such designation of a Valuation Date the Notes shall redeem in instalments, however, on any remaining portion not yet redeemed, all other Credit Events will still apply (including for the avoidance of doubt, Restructuring)</p> <p>For First to Default Transactions:</p> <p>Upon such designation of a Valuation Date the Notes shall redeem in instalments, however, on any remaining portion not yet redeemed, all other Credit Events will still apply in respect of the Reference Entity to which the Restructuring applies</p> <p>For Linear Basket Transactions;</p> <p>Upon such designation of a Valuation Date the Notes shall redeem in additional instalments, however, on any remaining portion not yet redeemed, all other Credit Events will still apply (including for the avoidance of doubt, Restructuring)</p> <p>For Static Mezzanine Transactions:</p> <p>In respect of any remaining portion of the Credit Position for which a Valuation Date has not been designated, all Credit Events will still apply (including for the avoidance of doubt, Restructuring)</p>
Credit Observation Period:	<p><i>Credit Observation Period</i> means the period from Initial Equity Valuation Date to and including the Credit Observation End Date.</p>
Credit Observation End Date:	<p>Credit Observation End Date means the final Cut-off Date or such other date as may be specified in the Principal Terms.</p>
Cut-off Date:	<p><i>Cut-off Date</i> means in respect of any date which is an Interest Payment Date, the third Payment Business Day preceding such Interest Payment Date and in respect of any date which is not an Interest Payment Date, (i) the third Payment Business Day preceding the Scheduled Maturity Date or, (ii) if applicable, the Early Valuation Date.</p>
Obligation(s):	<p><i>Obligation(s)</i> means (a) any obligation of a Reference Entity (either directly or as a provider of any Qualifying Affiliate Guarantee or, if in the Trading Standards Annex relating to such Reference Entity All Guarantees is Applicable, as provider of any Qualifying Guarantee or, if in the Trading Standards Annex relating to such Reference Entity 2005 Monoline Supplement is Applicable, as provider of any Qualifying Policy) of the Obligation Type and Obligation Characteristics specified in the Trading Standards Annex relating to such Reference Entity, and (b) each Benchmark Obligation, unless specified in the Principal Terms as an Excluded Obligation.</p>
Excluded Obligation:	<p><i>Excluded Obligation</i> means any obligation of a Reference Entity specified as such or of a type described in the relevant Trading Standards Annex.</p>



**Dealers:** *Dealers* means (A) as selected by the Calculation Agent in its sole discretion, at least five dealers in obligations of the type of obligations for which Quotations are to be obtained (which may include any such dealer which is an affiliate of the Calculation Agent) or (B) any Dealer specified in the Principal Terms.

**Information for Valuation Purposes:** The Calculation Agent shall be deemed to have provided sufficient information for the purposes of determining any Final Price with respect to any Reference Obligation (regardless of the form of the same, if it has provided the relevant Dealers with:

(a) a detailed description of the Reference Obligation, and

(b) in the event that such obligation is in the form of a Bond or Loan, the outstanding principal balance or Due and Payable Amount of the Reference Obligation and if available, the CUSIP or ISIN number (if such identifying number is not available, the rate and tenor of the Reference Obligation).

**Default Requirement:** *Default Requirement* means, unless otherwise specified in the Principal Terms, U.S. \$10,000,000 or its equivalent in the currency of the relevant Obligation at the time of the Credit Event.

**Payment Requirement:** *Payment Requirement* means, unless otherwise specified in the Principal Terms, U.S. \$1,000,000 or its equivalent in the currency of the relevant Obligation at the time of the Potential Failure to Pay or, as the case may be, Failure to Pay.

**Publicly Available Information:** *Publicly Available Information* means information that, in the sole discretion of the Calculation Agent, reasonably confirms any of the facts relevant to the determination that a Credit Event or a Potential Failure to Pay or a Potential Repudiation/Moratorium, as applicable, has occurred and which (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in Section (d) of the Bankruptcy definition against or by a Reference Entity or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall also provide to the Issuer a certificate signed by a Managing Director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

Any party to the transaction receiving Publicly Available Information as set out in parts (ii), (iii) and (iv) of the first paragraph above may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.



Publicly Available Information need not state (i) in relation to Section 2.25 of the 2003 Definitions, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in Potential Failure to Pay, Potential Repudiation/Moratorium or in certain Credit Events.

Once Publicly Available Information exists that an event has occurred in respect of any Reference Entity or any Obligation, then such event will be deemed to continue unless Publicly Available Information exists to the effect that such event in respect of the relevant Reference Entity or Obligation has been cured. In the absence of any Publicly Available Information to the effect that any such event has been cured coming to the notice of the Calculation Agent, the Calculation Agent shall be entitled to assume that such event is continuing for the purposes of determining whether any cure has occurred within the Grace Period and the Calculation Agent shall determine the existence or occurrence of a Potential Failure to Pay, Potential Repudiation/Moratorium or Credit Event accordingly. The Calculation Agent shall make reasonable efforts to establish whether Publicly Available Information exists to the effect that the relevant event has been cured.

**Public Source:** *Public Source* means each Additional Public Source and each of Bloomberg Service, Reuters Monitor Money Rates Services, Dow Jones Newswires, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

**Reference Obligation(s):** *Reference Obligation(s)* in relation to any Reference Entity means an obligation selected by the Calculation Agent in its sole discretion on or before the relevant Valuation Date that is either:

- (i) the Benchmark Obligation, if any, specified for that Reference Entity in the Schedule; or
- (ii) an obligation that on the relevant Relevant Date would satisfy the definition of Applicable Reference Obligation Category and Characteristics set out below; or
- (iii) a Sovereign Restructured Deliverable Obligation;

all as more particularly described in the 2003 Definitions (with such consequent amendments as are necessary to reflect cash settlement provisions in place of the physically settled provisions provided for in the relevant sections of the 2003 Definitions).

The Calculation Agent is under no obligation to the Noteholders, the Couponholders or any other person and, provided that the obligation selected meets the criteria in the definition of "Reference Obligations", is entitled, and indeed will endeavour, to select obligations with the lowest price of any obligations which meet such criteria. In making any such selection, the Calculation Agent will not be liable to account to the Noteholders, the Couponholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

In the event that the Reference Obligation selected by the Calculation Agent has been converted, exchanged or otherwise transformed into any other type of property, including equity, then that property shall be deemed to constitute the Reference



Obligation. The Calculation Agent shall determine the Final Price of that property in accordance with the valuation provisions, modified by the Calculation Agent only to the extent necessary to make them compatible with the type and amount of property being so valued. Any such Final Price shall be deemed to be the Final Price of the Reference Obligation for the purposes of the relevant transaction.

Relevant Date: *Relevant Date* means, in relation to an Obligation, the date of the event the subject of the Credit Event and in relation to a Reference Obligation, the Valuation Date

Applicable Reference Obligation Category and Characteristics: As specified in the relevant Trading Standards Annex.

In respect of a Reference Entity, Restructuring Maturity Limitation and Fully Transferable Obligation or Restructuring Maturity Limitation and Conditionally Transferable Obligation shall apply where specified as such in the relevant Trading Standards Annex.

Reference Price: 100%

Failure to Pay: *Failure to Pay* has the meaning ascribed to such term in the 2003 Definitions.

Bankruptcy: *Bankruptcy* has the meaning ascribed to such term in the 2003 Definitions.

Repudiation/Moratorium: *Repudiation/Moratorium* shall have the meaning given to such term in the 2003 Definitions, provided that the events described in part (i) of such definition must have occurred on or prior to the Credit Observation End Date.

Repudiation/Moratorium Evaluation Date: *Repudiation/Moratorium Evaluation Date* shall have the meaning given to such term in the 2003 Definitions, provided that for the purposes of such definition (i) a Potential Repudiation/Moratorium must have occurred on or prior to the Credit Observation End Date and (ii) references to the Termination Date will not apply.

Potential Repudiation/Moratorium: *Potential Repudiation/Moratorium* means the determination by the Calculation Agent that Publicly Available Information exists confirming the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.

Potential Failure to Pay: *Potential Failure to Pay* means the determination by the Calculation Agent that Publicly Available Information exists confirming the existence or occurrence of a failure on or before the Credit Observation End Date by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

Restructuring: Where in the Trading Standards Annex relating to a Reference Entity Restructuring and Multiple Holder Obligation are stated to be applicable, the occurrence of, agreement to or announcement of any of the events described in part (a)(i) to (v) of the definition of Restructuring shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.



*Restructuring* shall have the meaning given to such term in the 2003 Definitions, provided that:

(i) with regard to the reference to the date on which the terms of an Obligation are in effect in part (a) of the definition of Restructuring, the relevant date shall be the later of (i) (x) the Trade Date or (y) if later, the date on which the related entity became a Reference Entity and (ii) the date as of which the relevant Obligation is issued or incurred;

(ii) with regard to part (c) of the definition of Restructuring, (a) Qualifying Affiliate Guarantee will apply in the case of a Reference Entity in respect of which "All Guarantees" is not stated to be applicable in the relevant Trading Standards Annex and (b) Qualifying Guarantee will apply in the case of a Reference Entity in respect of which "All Guarantees" is stated to be applicable in the relevant Trading Standards Annex; and

(iii) the Calculation Agent will make any determination required under parts (b) or (c) of the definition of Restructuring in its sole discretion.

Grace Period:

*Grace Period* means:

(1) subject to clauses (2) and (3), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of (a) (x) the Trade Date or (y) if later, the date the relevant entity first becomes a Reference Entity and (b) the date as of which such Obligation is issued or incurred;

(2) if with respect to a Reference Entity in respect of which Potential Failure to Pay applies, a Potential Failure to Pay has occurred on or prior to the Credit Observation End Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Observation End Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Trading Standards Annex or, if no period is specified, thirty calendar days;

(3) if, at such date referred to in (1) above, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that unless the Reference Entity is one in respect of which Potential Failure to Pay applies, such deemed Grace Period shall expire no later than the Credit Observation End Date; and

(4) in the event that the Calculation Agent is not able to ascertain the Grace Period applicable with respect to any Obligation, it shall be deemed that the Grace Period with respect to that Obligation is thirty days. If the terms of the relevant Obligations are not publicly available such that the length of any grace period, conditions precedent to the commencement of any such grace period or whether any such conditions are satisfied cannot be established, it shall be deemed that the Grace Period is a period of thirty days from the due date for payment and all conditions precedent to the commencement thereof were satisfied on such due date.

*Grace Period Business Day* shall have the meaning given to such term in the 2003 Definitions.



Quotation: *Quotation* means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date. If the Calculation Agent is unable to obtain at least two such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifteenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain such Full Quotations from at least five Dealers and, if at least two such Full Quotations are not available, a Weighted Average Quotation.

If the Calculation Agent is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following a Valuation Date, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method.

If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following a Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifteenth Business Day or, if no Full Quotation is obtained, the Weighted Average Quotations obtained on such fifteenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

Replacement of Benchmark Obligation: In the event that (i) a Benchmark Obligation specified for any Reference Entity is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Benchmark Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments, (B) any Benchmark Obligation is an Underlying Obligation or an Insured Instrument, as the case may be, with a Qualifying Guarantee or Qualifying Policy, as the case may be, of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee or the Qualifying Policy, as the case may be, of that Reference Entity is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any reason, other than due to the existence or occurrence of a Credit Event, any Benchmark Obligation is no longer an obligation of Reference Entity, the Calculation Agent may, at any time after such event identify an Obligation to replace such Benchmark Obligation.

Any substitute Benchmark Obligation shall be an Obligation that (1) ranks *pari passu* or, if no such Obligation exists (in the Calculation Agent's discretion) ranks senior in priority of payment with the Benchmark Obligation as of the later of (A) (x) the Trade Date specified in the related Principal Terms or (y) the date on which the related entity becomes a Reference Entity and (B) the date on which such Benchmark Obligation was issued or incurred (and not reflecting any change to such ranking in priority of payment after such date) and (2) in the opinion of the Calculation Agent preserves the economic equivalent as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the parties under the Notes (3) is an obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the Trading Standards Annex relating to such Reference Entity, as provider of any Qualifying Guarantee, or if 2005 Monoline Supplement is specified as Applicable in the Trading Standards Annex relating to such Reference Entity, as provider of any Qualifying Policy).



Common Successor:            The Credit Position of a Reference Entity shall be as set out in the Principal Terms, subject to the following provisions:

(1) If as a result of a Succession Event one or more Successors are identified in respect of any Reference Entity (the “**Original Reference Entity**”) which has a Credit Position greater than zero then on and with effect from either (i) the legally effective date of the Succession Event or (ii) in the case of a First to Default Transaction where the Replacement Entity is not a Successor, the date on which the Calculation Agent gives notice to the parties of its selection (each the “**Succession Date**”);

(a) Each such Successor will be included as a Reference Entity in the list of Reference Entities and shall be deemed to be a Reference Entity;

(b) in the event that the old Reference Entity is not identified as a Successor it shall be deleted from the list of Reference Entities, provided that, notwithstanding that the determination that a Credit Event has occurred is made, or the Publicly Available Information is dated, on or after the relevant Succession Date, if the relevant Failure to Pay, Repudiation/Moratorium, Restructuring, Obligation Acceleration or Bankruptcy (as applicable) occurred on or before the Succession Date, a Credit Event may occur with respect to any such Reference Entity notwithstanding the subsequent deletion of that Reference Entity;

(c) in respect of a Successor that was not previously a Reference Entity, any Failure to Pay, Repudiation/Moratorium, Restructuring, Obligation Acceleration or Bankruptcy (as applicable) which occurs prior to the Succession Date shall not constitute a Credit Event notwithstanding that Publicly Available Information with respect thereto is dated on or after the Succession Date, provided that a Credit Event may occur with respect to any such Successor in relation to any Credit Event occurring with respect to that entity on or after the Succession Date (including a Failure to Pay which occurs on or after the Succession Date in respect of a Potential Failure to Pay which occurs prior to the Succession Date), notwithstanding the date that such Successor is identified by the Calculation Agent; and

(d) the Credit Position of each Successor shall be equal to sum of:

(i) the Credit Position of the Original Reference Entity divided by the number of Successors (including the Original Reference Entity, if applicable); and

(ii) in the event that any Successor was a Reference Entity immediately prior to the relevant Succession Event and was not the Original Reference Entity, the Credit Position of that Successor immediately prior to the relevant Succession Event.

(2) With respect to the Original Reference Entity and any Successor to that entity, in the event that one (but not both) of those entities has a Benchmark Obligation specified that is Subordinated and the Benchmark Obligation of the other entity is not Subordinated, then the Successor Reference Entity shall be treated as one Reference Entity with a Credit Position equal to the sum of the relevant Credit Positions except that upon the occurrence of a Credit Event with respect to that Successor, its Credit Position shall be apportioned in accordance with the following terms, such that a portion of its Credit Position will be determined on the basis of a Subordinated Obligation and a portion of its Credit Position will be settled on the basis of an Obligation that is not a Subordinated Obligation:

(a) the Credit Position of the relevant Successor, as determined in accordance with subsection (1), shall be divided into the portion of that Credit Position attributable to the entity in respect of which a Subordinated Obligation was specified as a



Benchmark Obligation (the “**Subordinated Credit Position**”) and the portion of that Credit Position attributable to the entity in respect of which an obligation that was not a Subordinated Obligation was specified as the Benchmark Obligation (the “**Senior Credit Position**”);

- (b) in the event that a Credit Event occurs with respect to that Successor, the Instalment Amount calculated with respect thereto shall be equal to the aggregate of an Instalment Amount calculated with respect to the Subordinated Credit Position and a Benchmark Obligation that is a Subordinated Obligation, and an Instalment Amount calculated with respect to the Senior Credit Position and a Benchmark Obligation that is not a Subordinated Obligation.
- (c) In the event that such Successor is subject to, or involved in, any further Succession Event, the Credit Position of such Successor (or the Successor to that entity as the case may be) shall be determined in accordance with the foregoing, taking into account and maintaining any distinction between the Subordinated Credit Position and Senior Credit Position already established for the relevant entity.
- (d) For the avoidance of doubt (i) a Credit Event may occur on one occasion only with respect to any Reference Entity, notwithstanding the apportionment of its Credit Position pursuant to the foregoing, and (ii) except for the purposes of determining the Redemption Amount or, as the case may be, the Instalment Amount or the Triggered Reference Entity Loss, each reference in this Credit Annex to “Credit Position” shall be deemed to be a reference to the aggregate of the Subordinated Credit Position and Senior Credit Position with respect to the relevant entity, unless the context requires otherwise.
- (e) For this purpose the Credit Position of any relevant Reference Entity which is a Defaulted Credit shall be zero, except in the case of a Reference Entity in respect of which a Restructuring Credit Event has occurred and in respect of which “Multiple Credit Event Notices” is specified as being applicable in the relevant Trading Standards Annex where the Credit Position shall be the Remaining Credit Position.

**Defaulted Credit:** *Defaulted Credit* means on any day, each Reference Entity in respect of which a Credit Event Date has occurred or, in the case of a Reference Entity in respect of which “Multiple Credit Event Notices” is stated to be applicable in the relevant Trading Standards Annex and in respect of which a Restructuring Credit Event has occurred, and subject to the terms of the Credit Provisions, in respect of which the Calculation Agent has given a Valuation Date Designation Notice to the Issuer.

**Valuation Date Designation Notice:** *Valuation Date Designation Notice* means notice of the Calculation Agent’s selection of a Valuation Date for a Designated Amount in respect of a Reference Entity.

**Remaining Credit Position:** *Remaining Credit Position* means, in respect of each Reference Entity in respect of which “Multiple Credit Event Notices” is specified as being applicable in the relevant Trading Standards Annex at any time, the initial Credit Position of such Reference Entity, less the aggregate of all Designated Amounts (if any) in respect of such Reference Entity.

**Designated Amount:** *Designated Amount* means, in respect of a Reference Entity in respect of which a Credit Event has occurred, the amount of such Reference Entity’s Credit Position as the Calculation Agent determines in its absolute discretion to be subject to a Valuation Date, provided that the Designated Amount shall be in an amount of at least the Minimum Designated Amount specified in the Principal Terms or an integral multiple thereof.



**The following shall apply to First to Default transactions only:**

Substitution of Reference Entities: The provisions for determining a Successor shall apply to First to Default Transactions subject to the following.

Where a Reference Entity (the "**Original Reference Entity**") is subject to a Succession Event:

- (1) if there is more than one Successor to the Original Reference Entity and such Successors do not include any other Reference Entities (other than the Original Reference Entity), the Calculation Agent shall select one of those Successors (including the Original Reference Entity) in its sole discretion to be the Reference Entity in place of such Reference Entity. The Successor selected shall be deemed to be the sole Successor for the purpose of the Credit Provisions.
- (2) if there is one or more Successors and such Successor or Successors include one or more Reference Entities (other than the Original Reference Entity) then:
  - (a) each of those Reference Entities that is a Successor (other than the Original Reference Entity, if the Original Reference Entity is a Successor), shall continue to be a Reference Entity;
  - (b) the Issuer shall be deemed not to be a Successor to the Original Reference Entity;
  - (c) the Calculation Agent shall select a Replacement Entity in its sole discretion to replace the Original Reference Entity. Such entity shall be deemed to be the sole Successor on and with effect from date of the Succession Event (if the entity selected was a Successor) or from the date of notification to the parties, in any other case.
- (3) In making any selections pursuant to the foregoing provisions, the Calculation Agent is under no obligation to the Noteholders, the Couponholders or any other person and, provided that the Successor selected meets the criteria specified in the Credit Provisions, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Noteholders, the Couponholders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

Replacement Entity: *Replacement Entity* means any entity selected by the Calculation Agent in its sole discretion that is either:

- (1) Any of the Successors to the Original Reference Entity, including the Original Reference Entity, if applicable; or
- (2) an entity that is incorporated within the same Geographical Area as the Original Reference Entity and which has a similar or better credit quality as measured by Standard & Poor's, a Division of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**") and/or by Moody's Investors Services ("**Moody's**"), as at the date of the relevant Succession Event.

London  
27 February, 2008

J.P. Morgan Securities Ltd.  
NAME OF MARKETER: [       ]  
CONTACT DETAILS OF MARKETER [       ]

Marketing





**The following amendments shall apply in relation to all the Trading Standards Annexes attached to this Schedule and Annex:**

1. All references to “Deliverable Obligations” shall be deemed to be to “Reference Obligations”.
2. References to “Section 3.9 of the 2003 definitions” shall be read as references to “Multiple Credit Event Notices”.
3. The terms in the Trading Standards Annex specified under the heading “Physical Settlement” shall not apply.
4. Business Day shall be deemed to be a reference to a Payment Business Day or Valuation Business Day as the context so requires.
5. The terms in the Trading Standards Annex (if any) under the headings “Grace Period Extension” and “Amendment for Grace Period Extension” shall not apply but without prejudice to the relevant provisions of the Pricing Conditions or, as the case may be, the Confirmation together, in each case, with this Schedule and Annex.
6. Notwithstanding the definition of Obligation in Schedule 1, paragraph (a) of such definition shall not include any Obligation specified as an Excluded Obligation in the relevant Standard.
7. Except as the context may otherwise require, references to “Standard” shall be to “Trading Standard” and vice versa.
8. Section “Additional Provisions” in the North American Monoline Trading Standards Annex shall be not applicable. However, this shall not be of prejudice to the relevant provisions in Schedule 1.