

(Bilateral Form - Transfer)<sup>1</sup>

(ISDA Agreements Subject to English Law)<sup>2</sup>

# ISDA<sup>®</sup>

International Swaps and Derivatives Association, Inc.

## CREDIT SUPPORT ANNEX

to the Schedule to the

### ISDA Master Agreement

dated as of ..... 6 June 2011 .....

between

..... BARCLAYS BANK PLC ..... and ..... BRASS No.1 PLC .....

("Party A")

("Party B")

This Annex supplements, forms part of, and is subject to, the ISDA Master Agreement referred to above and is part of its Schedule. For the purposes of this Agreement, including, without limitation, Sections 1(e), 2(a), 5 and 6, the credit support arrangements set out in this Annex constitute a Transaction (for which this Annex constitutes the Confirmation).

#### Paragraph 1. Interpretation

Capitalised terms not otherwise defined in this Annex or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 10, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 11 and the other

<sup>1</sup> This document is not intended to create a charge or other security interest over the assets transferred under its terms. Persons intending to establish a collateral arrangement based on the creation of a charge or other security interest should consider using the ISDA Credit Support Deed (English law) or the ISDA Credit Support Annex (New York law), as appropriate.

<sup>2</sup> This Credit Support Annex has been prepared for use with ISDA Master Agreements subject to English law. Users should consult their legal advisers as to the proper use and effect of this form and the arrangements it contemplates. In particular, users should consult their legal advisers if they wish to have the Credit Support Annex made subject to a governing law other than English law or to have the Credit Support Annex subject to a different governing law than that governing the rest of the ISDA Master Agreement (e.g., English law for the Credit Support Annex and New York law for the rest of the ISDA Master Agreement).

provisions of this Annex, Paragraph 11 will prevail. For the avoidance of doubt, references to "transfer" in this Annex mean, in relation to cash, payment and, in relation to other assets, delivery.

#### Paragraph 2. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferee on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Transferor's Minimum Transfer Amount, then the Transferor will transfer to the Transferee Eligible Credit Support having a Value as of the date of transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 11(b)(iii)(D)). Unless otherwise specified in Paragraph 11(b), the "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

(b) **Return Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Transferee's Minimum Transfer Amount, then the Transferee will transfer to the Transferor Equivalent Credit Support specified by the Transferor in that demand having a Value as of the date of transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 11(b)(iii)(D)) and the Credit Support Balance will, upon such transfer, be reduced accordingly. Unless otherwise specified in Paragraph 11(b), the "Return Amount" applicable to the Transferee for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date)

exceeds

(ii) the Credit Support Amount.

#### Paragraph 3. Transfers, Calculations and Exchanges

(a) **Transfers.** All transfers under this Annex of any Eligible Credit Support, Equivalent Credit Support, Interest Amount or Equivalent Distributions shall be made in accordance with the instructions of the Transferee or Transferor, as applicable, and shall be made:

(i) in the case of cash, by transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities which cannot or which the parties have agreed will not be delivered by book-entry, by delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, transfer tax stamps and any other documents necessary to constitute a legally valid transfer of the transferring party's legal and beneficial title to the recipient; and

(iii) in the case of securities which the parties have agreed will be delivered by book-entry, by the giving of written instructions (including, for the avoidance of doubt, instructions given by telex, facsimile transmission or electronic messaging system) to the relevant depository institution or other entity specified by the recipient, together with a written copy of the instructions to the recipient, sufficient, if complied with, to result in a legally effective transfer of the transferring party's legal and beneficial title to the recipient.

Subject to Paragraph 4 and unless otherwise specified, if a demand for the transfer of Eligible Credit Support or Equivalent Credit Support is received by the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the date such demand is received; if a demand is received after the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the day after the date such demand is received.

(b) *Calculations.* All calculations of Value and Exposure for purposes of Paragraphs 2 and 4(a) will be made by the relevant Valuation Agent as of the relevant Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or, in the case of Paragraph 4(a), following the date of calculation).

(c) *Exchanges.*

(i) Unless otherwise specified in Paragraph 11, the Transferor may on any Local Business Day by notice inform the Transferee that it wishes to transfer to the Transferee Eligible Credit Support specified in that notice (the "New Credit Support") in exchange for certain Eligible Credit Support (the "Original Credit Support") specified in that notice comprised in the Transferor's Credit Support Balance.

(ii) If the Transferee notifies the Transferor that it has consented to the proposed exchange, (A) the Transferor will be obliged to transfer the New Credit Support to the Transferee on the first Settlement Day following the date on which it receives notice (which may be oral telephonic notice) from the Transferee of its consent and (B) the Transferee will be obliged to transfer to the Transferor Equivalent Credit Support in respect of the Original Credit Support not later than the Settlement Day following the date on which the Transferee receives the New Credit Support, unless otherwise specified in Paragraph 11(d) (the "Exchange Date"); *provided* that the Transferee will only be obliged to transfer Equivalent Credit Support with a Value as of the date of transfer as close as practicable to, but in any event not more than, the Value of the New Credit Support as of that date.

Paragraph 4. Dispute Resolution

(a) **Disputed Calculations or Valuations.** If a party (a "Disputing Party") reasonably disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, then:

(1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following, in the case of (I) above, the date that the demand is received under Paragraph 2 or, in the case of (II) above, the date of transfer;

(2) in the case of (I) above, the appropriate party will transfer the undisputed amount to the other party not later than the close of business on the Settlement Day following the date that the demand is received under Paragraph 2;

(3) the parties will consult with each other in an attempt to resolve the dispute; and

(4) if they fail to resolve the dispute by the Resolution Time, then:

(i) in the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 11(c), the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilising any calculations of that part of the Exposure attributable to the Transactions that the parties have agreed are not in dispute;

(B) calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for the Transaction; and

(C) utilising the procedures specified in Paragraph 11(c)(ii) for calculating the Value, if disputed, of the outstanding Credit Support Balance;

(ii) in the case of a dispute involving the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, the Valuation Agent will recalculate the Value as of the date of transfer pursuant to Paragraph 11(c)(ii).

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) as soon as possible but in any event not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following such notice given by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraph 3(a), make the appropriate transfer.

(b) **No Event of Default.** The failure by a party to make a transfer of any amount which is the subject of a dispute to which Paragraph 4(a) applies will not constitute an Event of Default for as long as the procedures set out in this Paragraph 4 are being carried out. For the avoidance of doubt, upon completion of those procedures, Section 5(a)(i) of this Agreement will apply to any failure by a party to make a transfer required under the final sentence of Paragraph 4(a) on the relevant due date.

#### **Paragraph 5. Transfer of Title, No Security Interest, Distributions and Interest Amount**

(a) **Transfer of Title.** Each party agrees that all right, title and interest in and to any Eligible Credit Support, Equivalent Credit Support, Equivalent Distributions or Interest Amount which it transfers to the other party under the terms of this Annex shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person (other than a lien routinely imposed on all securities in a relevant clearance system).

(b) **No Security Interest.** Nothing in this Annex is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in any cash or other property transferred by one party to the other party under the terms of this Annex.

(c) **Distributions and Interest Amount.**

(i) **Distributions.** The Transferee will transfer to the Transferor not later than the Settlement Day following each Distributions Date cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("Equivalent Distributions") 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).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 11(f)(iii), the Transferee will transfer to the Transferor at the times specified in Paragraph 11(f)(ii) the relevant 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).

#### **Paragraph 6. Default**

If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party, an amount equal to the Value of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party) for purposes of Section 6(e). For the avoidance of doubt, if Market Quotation is the applicable payment measure for purposes of Section 6(e), then the Market Quotation determined under Section 6(e) in relation to the Transaction constituted by this Annex will be deemed to be zero, and, if Loss is the applicable payment measure for purposes of Section 6(e), then the Loss determined under Section 6(e) in relation to the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance.

Paragraph 7. Representation

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it transfers Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions) that it is the sole owner of or otherwise has the right to transfer all Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions it transfers to the other party under this Annex, free and clear of any security interest, lien, encumbrance or other restriction (other than a lien routinely imposed on all securities in a relevant clearance system).

Paragraph 8. Expenses

Each party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Annex) in connection with performing its obligations under this Annex, and neither party will be liable for any such costs and expenses incurred by the other party.

Paragraph 9. Miscellaneous

(a) **Default Interest.** Other than in the case of an amount which is the subject of a dispute under Paragraph 4(a), if a Transferee fails to make, when due, any transfer of Equivalent Credit Support, Equivalent Distributions or the Interest Amount, it will be obliged to pay the Transferor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value on the relevant Valuation Date of the items of property that were required to be transferred, from (and including) the date that the Equivalent Credit Support, Equivalent Distributions or Interest Amount were required to be transferred to (but excluding) the date of transfer of the Equivalent Credit Support, Equivalent Distributions or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(c) **Demands and Notices.** All demands and notices given by a party under this Annex will be given as specified in Section 12 of this Agreement.

(d) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 11 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 10. Definitions

As used in this Annex:

**"Base Currency"** means the currency specified as such in Paragraph 11(a)(i).

**"Base Currency Equivalent"** means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the "Other Currency"), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date.

**"Credit Support Amount"** means, with respect to a Transferor on a Valuation Date, (i) the Transferee's Exposure plus (ii) all Independent Amounts applicable to the Transferor, if any, minus (iii) all Independent Amounts applicable to the Transferee, if any, minus (iv) the Transferor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

**"Credit Support Balance"** means, with respect to a Transferor on a Valuation Date, the aggregate of all Eligible Credit Support that has been transferred to or received by the Transferee under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to Paragraph 2(b), 3(c)(ii) or 6. Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to Paragraph 5(c)(i) or (ii) will form part of the Credit Support Balance.

**"Delivery Amount"** has the meaning specified in Paragraph 2(a).

**"Disputing Party"** has the meaning specified in Paragraph 4.

**"Distributions"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property to which a holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support would be entitled from time to time.

**"Distributions Date"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which a holder of such Eligible Credit Support is entitled to receive Distributions or, if that date is not a Local Business Day, the next following Local Business Day.

**"Eligible Credit Support"** means, with respect to a party, the items, if any, specified as such for that party in Paragraph 11(b)(ii) including, in relation to any securities, if applicable, the proceeds of any redemption in whole or in part of such securities by the relevant issuer.

**"Eligible Currency"** means each currency specified as such in Paragraph 11(a)(ii), if such currency is freely available.

**"Equivalent Credit Support"** means, in relation to any Eligible Credit Support comprised in the Credit Support Balance, Eligible Credit Support of the same type, nominal value, description and amount as that Eligible Credit Support.

**"Equivalent Distributions"** has the meaning specified in Paragraph 5(c)(i).

**"Exchange Date"** has the meaning specified in Paragraph 11(d).

**"Exposure"** means, with respect to a party on a Valuation Date and subject to Paragraph 4 in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) of this Agreement if all Transactions (other than the Transaction constituted by this Annex) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; *provided* that Market Quotations will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

**"Independent Amount"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11 (b)(iii)(A); if no amount is specified, zero.

**"Interest Amount"** means, with respect to an Interest Period, the aggregate sum of the Base Currency Equivalents of the amounts of interest determined for each relevant currency and calculated for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such currency, determined by the Valuation Agent for each such day as follows:

- (x) the amount of cash in such currency on that day; multiplied by
- (y) the relevant Interest Rate in effect for that day; divided by
- (z) 360 (or, in the case of pounds sterling, 365).

**"Interest Period"** means the period from (and including) the last Local Business Day on which an Interest Amount was transferred (or, if no Interest Amount has yet been 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 Interest Amount is transferred.

**"Interest Rate"** means, with respect to an Eligible Currency, the rate specified in Paragraph 11(f)(i) for that currency.

**"Local Business Day"**, unless otherwise specified in Paragraph 11(h), means:

- (i) in relation to a transfer of cash or other property (other than securities) under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment;
- (ii) in relation to a transfer of securities under this Annex, a day on which the clearance system agreed between the parties for delivery of the securities is open for the acceptance and execution of settlement instructions or, if delivery of the securities is contemplated by other means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place(s) agreed between the parties for this purpose;

(iii) in relation to a valuation under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of location of the Valuation Agent and in the place(s) agreed between the parties for this purpose; and

(iv) in relation to any notice or other communication under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place specified in the address for notice most recently provided by the recipient.

**"Minimum Transfer Amount"** means, with respect to a party, the amount specified as such for that party in Paragraph 11(b)(iii)(C); if no amount is specified, zero.

**"New Credit Support"** has the meaning specified in Paragraph 3(c)(i).

**"Notification Time"** has the meaning specified in Paragraph 11(c)(iv).

**"Recalculation Date"** means the Valuation Date that gives rise to the dispute under Paragraph 4; provided, however, that if a subsequent Valuation Date occurs under Paragraph 2 prior to the resolution of the dispute, then the **"Recalculation Date"** means the most recent Valuation Date under Paragraph 2.

**"Resolution Time"** has the meaning specified in Paragraph 11(e)(i).

**"Return Amount"** has the meaning specified in Paragraph 2(b).

**"Settlement Day"** means, in relation to a date, (i) with respect to a transfer of cash or other property (other than securities), the next Local Business Day and (ii) with respect to a transfer of securities, the first Local Business Day after such date on which settlement of a trade in the relevant securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearance system agreed between the parties for delivery of such securities or, otherwise, on the market in which such securities are principally traded (or, in either case, if there is no such customary practice, on the first Local Business Day after such date on which it is reasonably practicable to deliver such securities).

**"Threshold"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11(b)(iii)(B); if no amount is specified, zero.

**"Transferee"** means, in relation to each Valuation Date, the party in respect of which Exposure is a positive number and, in relation to a Credit Support Balance, the party which, subject to this Annex, owes such Credit Support Balance or, as the case may be, the Value of such Credit Support Balance to the other party.

**"Transferor"** means, in relation to a Transferee, the other party.

**"Valuation Agent"** has the meaning specified in Paragraph 11(c)(i).

**"Valuation Date"** means each date specified in or otherwise determined pursuant to Paragraph 11(c)(ii).

**"Valuation Percentage"** means, for any item of Eligible Credit Support, the percentage specified in Paragraph 11(b)(ii).

**"Valuation Time"** has the meaning specified in Paragraph 11(c)(iii).

**"Value"** means, for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 4 in the case of a dispute, with respect to:

- (i) Eligible Credit Support comprised in a Credit Support Balance that is:
  - (A) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
  - (B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any; and
- (ii) items that are comprised in a Credit Support Balance and are not Eligible Credit Support, zero.

**Paragraph 11**

**CREDIT SUPPORT ANNEX**

to the Schedule to the

**ISDA Master Agreement**

dated as of 6 June 2011

between

**BARCLAYS BANK PLC**

**BRASS No.1 PLC**

and

("Party A")

("Party B")

**Paragraph 11. Elections and Variables**

(a) **Base Currency and Eligible Currency.**

(i) "Base Currency" means GBP.

(ii) "Eligible Currency" means the Base Currency, USD and EUR.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) "Delivery Amount" has the meaning specified in Paragraph 2(a), except that (1) the words, "upon a demand made by the Transferee on or promptly following a Valuation Date" shall be deleted and the word "that" on the second line of Paragraph 2(a) shall be replaced with the word "a" and (2) the sentence beginning "Unless otherwise specified in Paragraph 11(b)" shall be deleted in its entirety and replaced with the following:

"The "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the greatest of:

(1) the amount by which (a) the Moody's Credit Support Amount exceeds (b) the Value (determined using the Moody's Valuation Percentages) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date); and

(2) the amount by which (a) the Fitch Credit Support Amount exceeds (b) the Value (determined using the Fitch Valuation Percentages) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in

each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date)."

If, in respect of any Valuation Date, the Delivery Amount is greater than the Transferor's Minimum Transfer Amount, the Transferor will transfer to the Transferee sufficient Eligible Credit Support to ensure that, immediately following such transfer, the Delivery Amount shall not be greater than zero.

- (B) **"Return Amount"** has the meaning specified in Paragraph 2(b) as amended by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The **"Return Amount"** applicable to the Transferee for any Valuation Date will equal the least of:

- (1) the amount by which (a) the Value (determined using the Moody's Valuation Percentages) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Moody's Credit Support Amount; and
- (2) the amount by which (a) the Value (determined using the Fitch Valuation Percentages) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Fitch Credit Support Amount."

In no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, the Delivery Amount would be greater than zero.

- (C) **"Credit Support Amount"** means the Moody's Credit Support Amount or the Fitch Credit Support Amount, as applicable.
- (ii) **Eligible Credit Support and Valuation Percentages.** The items listed in Appendix A Part 1 will qualify as **"Eligible Credit Support"** for Party A with respect to Fitch and the items listed in Appendix A Part 2 will qualify as **"Eligible Credit Support"** for Party A with respect to Moody's.

**"Valuation Percentage"** means the Moody's Valuation Percentage, or the Fitch Valuation Percentage, as applicable.

- (iii) **Thresholds.**

- (A) **"Independent Amount"** means, for Party A and Party B, zero.

- (B) "**Threshold**" means, for Party A, infinity, unless (1) the Moody's Threshold is zero or (2) the Fitch Threshold is zero, in which case the Threshold for Party A shall be zero.

"**Moody's Threshold**" means, (A) for so long as the First Rating Trigger Requirements apply and either (i) the First Rating Trigger Requirements have applied continuously since this Annex was executed or (ii) at least 30 Local Business Days have elapsed since the last time the First Rating Trigger Requirements did not apply, zero and (B) at any other time, infinity.

"**Fitch Threshold**" means, (A) for so long as any of an Initial Fitch Rating Event, a First Subsequent Fitch Rating Event or a Second Subsequent Fitch Rating Event has occurred and is continuing and Party A has not taken alternative action as contemplated by Part 5(e)(ii)(B) of the Schedule to the Agreement, zero and (B) at any other time, infinity.

"**Threshold**" means, for Party B: infinity

- (C) "**Minimum Transfer Amount**" means, with respect to Party A and Party B, GBP 50,000 *provided*, that if (1) an Event of Default has occurred and is continuing in respect of which Party A is the Defaulting Party, or (2) an Additional Termination Event has occurred in respect of which Party A is an Affected Party, the Minimum Transfer Amount with respect to Party A shall be zero.
- (D) "**Rounding**". The Delivery Amount will be rounded up to the nearest integral multiple of GBP 10,000 and the Return Amount will be rounded down to the nearest integral multiple of GBP 10,000.

(c) **Valuation and Timing.**

- (i) "**Valuation Agent**" means Party A in all circumstances.
- (ii) "**Valuation Date**" means each Local Business Day.
- (iii) "**Valuation Time**" means the close of business in the city of the Valuation Agent on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable; *provided* that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.
- (iv) "**Notification Time**" means by 2:00 p.m., London time, on a Local Business Day.
- (v) **Calculations.** Paragraph 3(b) shall be amended by inserting the words “, Moody’s Credit Support Amount” after the word “Value”.
- (vi) **Value.** Paragraph (i)(B) of the definition of “Value” shall be deleted in its entirety and replaced with the following: “(i)(B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent (or, if the Valuation Agent is a Defaulting Party and the Transferee has, by way of written notice to

the Valuation Agent, nominated another entity to calculate the Value of securities, such entity) multiplied by the applicable Valuation Percentage, if any; and”.

- (d) **Exchange Date.** "Exchange Date" has the meaning specified in Paragraph 3(c)(ii).
- (e) **Dispute Resolution.**
- (i) **"Resolution Time"** means 2:00 p.m., London time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.
- (ii) **Value.** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, on the relevant date will be calculated as follows:
- (A) with respect to any Eligible Credit Support or Equivalent Credit Support comprising securities the Base Currency Equivalent of the sum of:
- (a) (x) the last bid price on such date for such securities on the principal national securities exchange on which such securities are listed, *multiplied* by the applicable Valuation Percentage, or (y) where any securities are not listed on a national securities exchange, the bid price for such securities quoted as at the close of business on such date by any principal market maker (which shall not be, and shall be independent from, the Valuation Agent) for such securities chosen by the Valuation Agent, *multiplied* by the applicable Valuation Percentage, or (z) if no such bid price is listed or quoted for such date, the last bid price listed or quoted (as the case may be), as of the day next preceding such date on which such prices were available, *multiplied* by the applicable Valuation Percentage; and
- (b) the accrued interest where applicable on such securities (except to the extent that such interest shall have been paid to the Transferor pursuant to Paragraph 5(c)(i) or included in the applicable price referred to in Paragraph 11(e)(ii)(A)(a) above) as of such date, *multiplied* by the applicable Valuation Percentage with respect to such securities,
- provided* that it is understood that in no circumstances shall the Transferee be required to transfer a Return Amount in excess of the Transferor's Credit Support Balance;
- (B) with respect to any Cash, the Base Currency Equivalent of the product of the face value of the cash amount and the applicable Valuation Percentage; and
- (C) with respect to any Eligible Credit Support or Equivalent Credit Support other than securities and Cash, the Base Currency Equivalent of the fair market value thereof on such date, as determined in any reasonable

manner chosen by the Valuation Agent, *multiplied* by the applicable Valuation Percentage.

(iii) **Alternative.** The provisions of Paragraph 4 will apply.

(f) **Distribution and Interest Amount.**

(i) **Interest Rate.** The "**Interest Rate**" in relation to each Eligible Currency specified below will be:

<b>Eligible Currency</b>	<b>Interest Rate</b>
GBP	For the relevant determination date, "SONIA" which means the reference rate equal to the overnight rate as calculated by the Wholesale Market Brokers Association which appears on the Reuters Screen SONIA Page in respect of that day.
USD	For the relevant determination date, the effective federal funds rate in U.S. Dollars published on Reuters Screen FEDFUNDS1 Page in respect of that day.
EUR	For the relevant determination date "EONIA", which means a reference rate equal to the overnight rate for such day as calculated by the European Central Bank and published on Reuters Screen EONIA.

(ii) **Transfer of Interest Amount.** The transfer of the Interest Amount will be made on the first Local Business Day following the end of each calendar month in which it is received or, if that date is not a Valuation Date, the next following Valuation Date, *provided* that: (1) Party B has earned and received such amount of interest, and (2) the Transferee shall only be obliged to transfer an Interest Amount to the extent that the Valuation Agent has confirmed in writing that a Delivery Amount would not arise as a result of, or if already existing, would not be increased by, such transfer.

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) will apply. For the purposes of calculating the Interest Amount the amount of interest calculated for each day of the Interest Period shall, with respect to any Eligible Currency, be compounded daily.

(iv) **Interest Amount.** The definition of "**Interest Amount**" in Paragraph 10 shall be deleted and replaced with the following:

"**Interest Amount**" means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, the sum of the amounts of interest determined for each day in that Interest Period by the Valuation Agent as follows:

- (x) the amount of such currency comprised in the Credit Support Balance at the close of business for general dealings in the relevant currency on such day (or, if such day is not a Local Business Day, on the immediately preceding Local Business Day); *multiplied* by
- (y) the relevant Interest Rate; divided by
- (z) 360 (or in the case of Pounds Sterling, 365),

provided that no such amount shall be included in the Interest Amount in respect of any Interest Period unless it has been received (net of any deduction or withholding for or on account of any tax) by the Transferee during such Interest Period."

(g) **Addresses for Transfers.**

Party A:

The Collateral Management Team

Central Phone Number: +44 020 7773 1018

Central Fax Number: +44 020 7516 7494

[LDNCOLLNOT@barclayscapital.com](mailto:LDNCOLLNOT@barclayscapital.com)

With a copy to [BGSOperations@barclayscapital.com](mailto:BGSOperations@barclayscapital.com)

Party B: To be advised.

(h) **Other Provisions.**

(i) ***Transfer Timing***

- (A) The final paragraph of Paragraph 3(a) shall be deleted and replaced with the following:

"Subject to Paragraph 4, and unless otherwise specified, any transfer of Eligible Credit Support or Equivalent Credit Support (whether by the Transferor pursuant to Paragraph 2(a) or by the Transferee pursuant to Paragraph 2(b)) shall be made not later than the close of business on the Settlement Day."

- (B) The definition of Settlement Day shall be amended by the deletion of the words "first Local Business Day after such" immediately following the words "securities," in the second line thereof.

- (C) For the purposes of this Paragraph 11(h)(i):

"**Demand Date**" means, with respect to a transfer by a party:

- (i) in the case of a transfer pursuant to Paragraph 2 or Paragraph 4(a)(2), the relevant Valuation Date (assuming that, in the case of

any transfer to be made by the Transferee, the Transferee has received a demand on such date from the Transferor). For the purposes of Paragraph 2 and Paragraph 4(a)(2), the Transferor will be deemed to receive notice of the demand by the Transferee to make a transfer of Eligible Credit Support; and

- (ii) in the case of a transfer pursuant to Paragraph 3(c)(ii)(A), the date on which the Transferee has given its consent to the proposed exchange.

(ii) ***Early Termination***

The heading for Paragraph 6 shall be deleted and replaced with "Early Termination" and the following amendments shall be made to Paragraph 6:

- (1) the words "or a Termination Event where all Transactions or all Transactions other than the Transaction constituted by this Annex are Affected Transactions" shall be added immediately after the word "party" in the second line of Paragraph 6; and
- (2) the words "or an Affected Party" shall be added immediately after the words "Defaulting Party" in the fourth line of Paragraph 6.

(iii) ***Costs of Transfer***

Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support and/or Equivalent Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor pursuant to this Annex.

(iv) ***Single Transferor and Single Transferee***

Party A and Party B agree that the definitions of "Transferee" and "Transferor" in Paragraph 10 of this Annex shall be deleted in their entirety and replaced with the following in lieu thereof: "***Transferor***" means Party A; and "***Transferee***" means Party B, and, for the avoidance of doubt, without prejudice to Party B's obligation to make transfers of Return Amounts, only Party A will be required to make transfers of Delivery Amounts hereunder."

(v) ***Ratings Criteria***

"**Ratings Criteria**" means, the criteria used by Moody's as set out in subparagraph (A) below and the criteria used by Fitch (as set out in Fitch's report entitled "Counterparty Criteria for Structured Finance Transactions" dated 14 March 2011 including the "Derivative Addendum" thereto) ("**Fitch Criteria**").

(A) **Moody's**

"**Moody's Credit Support Amount**" means with respect to a Transferor on a Valuation Date:

- (i) if the Moody's Threshold for Party A is infinity, zero;

(ii) if the Moody's Threshold for Party A is zero and either (A) the Second Rating Trigger Requirements do not apply or (B) less than 30 Local Business Day have elapsed since the last time the Second Rating Trigger Requirements did not apply, the greater of:

(I) zero; and

(II) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Additional First Trigger Collateral Amounts in respect of such Valuation Date for all Transactions (other than the Transaction constituted by this Annex),

where "**Additional First Trigger Collateral Amount**" means, for each Transaction, the lesser of:

(a) the sum of (x) the product of the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date and the Moody's First Trigger Cross Currency Notional Amount Lower Multiplier and (y) the product of the Moody's First Trigger Cross Currency DV01 Multiplier and the Transaction Cross Currency DV01 for such Transaction; and

(b) the product of the Moody's First Trigger Cross Currency Notional Amount Higher Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date;

(iii) for so long as the Second Rating Trigger Requirements do apply and 30 or more Local Business Days have elapsed since the last time the Second Rating Trigger Requirements did not apply, with respect to a Valuation Date, the greater of:

(I) zero;

(II) the aggregate amount of the Next Payments for all Next Payment Dates, provided that, for this purpose, to the extent that any Next Payment (or portion thereof) cannot be determined with certainty on such Valuation Date due to variables that are to be determined on a date following such Valuation Date, it shall be calculated by reference to the Valuation Agent's prediction of what such variables will be and such prediction shall be made by the Valuation Agent in a commercially reasonable manner using the information then available to it; and

(III) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Additional Second Trigger Collateral Amounts in respect of such Valuation Date for all

Transactions (other than the Transaction constituted by this Annex),

where:

**"Additional Second Trigger Collateral Amount"** means, for each Transaction, the lesser of:

- (a) the sum of (x) the product of the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date and the Moody's Second Trigger Cross Currency Notional Amount Lower Multiplier and (y) the product of the Moody's Second Trigger Cross Currency DV01 Multiplier (Optionality) and the Transaction Cross Currency DV01 for such Transaction; and
- (b) the product of the Moody's Second Trigger Cross Currency Notional Amount Higher Multiplier (Optionality) and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date.

In relation to the foregoing, Party A will, upon receipt of reasonable notice from Moody's, demonstrate to Moody's the calculation by Party A of the Transferee's Exposure.

(B) **Fitch**

**"Fitch Credit Support Amount"** shall mean at any time for the purposes of the Fitch Criteria with respect to a Transferor on a Valuation Date:

- (A) if the Fitch Threshold is infinity, zero;
- (B) if (i) an Initial Fitch Rating Event has occurred and is continuing but neither a First Subsequent Fitch Rating Event nor a Second Subsequent Fitch Rating Event has occurred and is continuing and (ii) either such Initial Fitch Rating Event has continued since this Annex was executed or 14 or more calendar days have elapsed since such Initial Fitch Rating Event first occurred, an amount calculated in accordance with the following formula:

$\max[MV \text{ plus } (LA \text{ multiplied by } VC \text{ multiplied by } N); 0]$

- (C) if (i) a First Subsequent Fitch Rating Event has occurred and is continuing and (ii) either such event has continued since this Annex was executed or 14 or more calendar days have elapsed since such First Subsequent Fitch Rating Event first occurred, an amount calculated in accordance with the following formula:

$\max [MV \text{ plus } (LA \text{ multiplied by } VC \text{ multiplied by } N); 0] \text{ multiplied by } 1.25$

- (D) if (i) a Second Subsequent Fitch Rating Event has occurred and is continuing and (ii) 10 or more calendar days have elapsed since such Second Subsequent Fitch Rating Event first occurred, an amount calculated in accordance with the following formula:

$\max [MV \text{ plus } (LA \text{ multiplied by } VC \text{ multiplied by } N); 0]$   
*multiplied by 1.25*

where:

"**max**" means maximum;

"**MV**" means the Transferee's Exposure;

"**LA**" means the liquidity adjustment (expressed as a percentage) derived from the type of Transaction and the weighted average life of the Transaction in accordance with the Fitch Criteria;

"**VC**" means the percentage specified in the Fitch Criteria as the "Volatility Cushion" in respect of cross currency swaps for a weighted average life that is equal to (or closest to) the remaining term of the Transaction; and

"**N**" means the Transaction Notional Amount at that time.

(vi) **Calculations**

Paragraph 3(b) of this Annex shall be amended by inserting the words "and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon reasonable request" after the word "calculations" in the third line thereof.

(vii) **Demands and Notices**

All demands, specifications and notices under this Annex will be made pursuant to Section 12 of this Agreement.

(viii) **Exposure**

"**Exposure**" has the meaning specified in Paragraph 10, provided that:

- (a) the words "(assuming, for this purpose only, that Part 5(n) (*Calculations*) of the Schedule is deleted)" shall be inserted immediately following the word Agreement" in the fourth line of that definition; and
- (b) the words "without assuming that the terms of such Replacement Transactions are materially less beneficial for Party B than those of the Transactions being terminated" shall be inserted immediately prior to the full stop at the end of that definition.

(ix) **Paragraph 6**

For the purposes of determining the Credit Support Balance pursuant to Paragraph 6, the definition of Value in Paragraph 10 shall be amended by deleting the words

"multiplied by the applicable Valuation Percentage, if any" from sub-paragraphs (i)(A) and (i)(B).

(x) ***Distributions and Exchanges***

"Distributions" has the meaning specified in Paragraph 10, except that the words "to which a holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support would be entitled from time to time" shall be deleted and replaced by the words "received (net of any deduction or withholding for or on account of any tax) by the Transferee in respect of such Eligible Credit Support".

"Distribution Date" has the meaning specified in Paragraph 10, except that the words "a holder of such Eligible Credit Support is entitled to receive Distributions" shall be deleted and replaced by the words "Distributions are received by the Transferee".

**Transfer of Distributions.** The Transferee shall only be obliged to transfer Equivalent Distributions under Paragraph 5(c)(i) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

**Exchange.** The Transferee shall only be obliged to transfer Equivalent Credit Support under Paragraph 3(c)(ii) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

(xi) ***Definitions***

As used in this Annex, the following terms shall mean:

"**Fitch**" means Fitch Ratings Ltd and includes any successors thereto;

"**Moody's**" means Moody's Investors Service Limited and includes any successors thereto;

"**Moody's First Trigger Cross Currency DV01 Multiplier**" means, (A) if each Local Business Day is a Valuation Date, 10 and (B) otherwise, 20;

"**Moody's First Trigger Cross Currency Notional Amount Higher Multiplier**" means, (A) if each Local Business Day is a Valuation Date, 0.025 and (B) otherwise, 0.05;

"**Moody's First Trigger Cross Currency Notional Amount Lower Multiplier**" means, (A) if each Local Business Day is a Valuation Date, 0.01 and (B) otherwise, 0.02;

"**Moody's Second Trigger Cross Currency DV01 Multiplier (Optionality)**" means, (A) if each Local Business Day is a Valuation Date, 30 and (B) otherwise, 40;

**"Moody's Second Trigger Cross Currency Notional Amount Lower Multiplier"** means, (A) if each Local Business Day is a Valuation Date, 0.06 and (B) otherwise, 0.07;

**"Moody's Second Trigger Cross Currency Notional Amount Higher Multiplier (Optionality)"** means, (A) if each Local Business Day is a Valuation Date, 0.11 and (B) otherwise, 0.12;

**"Next Payment"** means, in respect of each Next Payment Date, the Base Currency Equivalent of any payments (excluding exchanges of Transaction Notional Amount) due to be made by Party A under Section 2(a) in respect of any Transaction (other than the Transaction constituted by this Annex) (after taking account of any applicable netting under Section 2(c)) on such Next Payment Date);

**"Next Payment Date"** means each date on which the next scheduled payment by Party A under any Transaction (other than the Transaction constituted by this Annex) is due to be paid or would be due to be paid but for the application of netting;

**"Rating Agencies"** means Moody's and Fitch;

**"Transaction Cross Currency DV01"** means, with respect to a Transaction and any date of determination, the greater of (i) the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve (denominated in the currency of Party A's payment obligations under such Transaction) on such date and (ii) the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve (denominated in the currency of Party B's payment obligations under such Transaction) on such date, in each case as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent; and

**"Transaction Notional Amount"** means in respect of a Valuation Date, the Party A Currency Amount (as defined in the Confirmation relating to the Transaction) for the Calculation Period (as defined in the Confirmation relating to the Transaction) which includes such Valuation Date.

## Appendix A – Valuation Percentages

### Part 1 - Fitch Valuation Percentages:

The applicable Valuation Percentage in respect of Fitch shall be determined by reference to the table set out below or in relation to any type of Eligible Credit Support not listed in that table, such percentage as may be agreed between Party A, Party B and Fitch from time to time:

Cash in an Eligible Currency: 100 per cent.

Negotiable debt obligations denominated in an Eligible Currency: as set out in the table below

Eligible credit support	Remaining maturity (years)	Valuation Percentage
Negotiable debt obligations issued after 18 July 1984 by the US Treasury Department (AAA rated)	1	99.5%
	3	98.2%
	5	96.6%
	7	95.3%
	10	93.9%
	15	92.7%

Eligible credit support	Remaining maturity (years)	Valuation Percentage
Negotiable euro-denominated debt issued by the Government of the Federal Republic of Germany (AAA)	1	99.6%
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%
	15	95.9%
Negotiable euro-denominated debt issued by the Government of the Republic of France (AAA)	1	99.6%
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%
	15	95.9%
Negotiable euro-denominated debt issued by the Government of the Kingdom of Belgium	1	99.6%

Eligible credit support	Remaining maturity (years)	Valuation Percentage
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%
	15	95.9%
Negotiable Sterling-denominated debt issued by the Government of the Kingdom of the United Kingdom (AAA)	1	99.6%
	3	98.5%
	5	97.9%
	7	97.2%
	10	96.7%
	15	95.7%
Negotiable euro-denominated debt issued by the Government of Italy	1	99.6%
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%
	15	95.9%
Negotiable euro-denominated debt issued by the Government of the Kingdom of Netherlands (AAA)	1	99.6%
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%
	15	95.9%
Negotiable euro-denominated debt issued by the Government of Portugal	1	99.6%
	3	98.7%
	5	98.0%
	7	97.5%
	10	96.8%

### Fitch's Advance Rates (ARs) for Government Bonds and Currency Risk

Region *	Maturity	Highest note rated 'AA-' or higher	Highest note rated 'A+' or below
Australia and New Zealand	<1 year	99.0%	99.0%
Australia and New Zealand	1-3 years	96.5%	98.0%
Australia and New Zealand	3-5 years	94.0%	96.0%
Australia and New Zealand	5-7 years	91.5%	94.5%
Australia and New Zealand	7-10 years	89.0%	92.5%
Denmark and Sweden	<1 year	98.5%	99.0%
Denmark and Sweden	1-3 years	96.5%	97.5%
Denmark and Sweden	3-5 years	93.0%	95.5%
Denmark and Sweden	5-7 years	91.5%	94.5%
Denmark and Sweden	7-10 years	89.0%	93.0%
Eurozone	<1 year	99.0%	99.5%
Eurozone	1-3 years	97.0%	98.0%
Eurozone	3-5 years	94.0%	96.0%
Eurozone	5-7 years	93.0%	95.5%
Eurozone	7-10 years	90.0%	93.5%
Eurozone	10-30 years	83.5%	89.0%
Japan	<1 year	98.5%	99.0%
Japan	1-3 years	97.0%	98.0%
Japan	3-5 years	94.0%	96.0%
Japan	5-7 years	91.5%	94.5%
Japan	7-10 years	87.0%	91.5%
Japan	10-30 years	69.0%	79.5%
Switzerland	<1 year	98.5%	99.0%
Switzerland	1-3 years	97.0%	98.0%
Switzerland	3-5 years	95.5%	97.0%
Switzerland	5-7 years	94.0%	96.0%
Switzerland	7-10 years	93.5%	95.5%
UK	<1 year	98.5%	99.0%
UK	1-3 years	96.5%	97.5%
UK	3-5 years	91.5%	94.5%
UK	5-7 years	90.5%	93.5%
UK	7-10 years	89.0%	93.0%
UK	10-30 years	83.0%	88.5%
US and Canada	<1 year	97.5%	98.0%
US and Canada	1-3 years	96.0%	96.5%
US and Canada	3-5 years	93.5%	94.5%
US and Canada	5-7 years	92.5%	94.0%
US and Canada	7-10 years	91.0%	92.5%
US and Canada	10-30 years	87.0%	89.0%
<b>FX Risk</b>			
FX risk for currency pairs involving USD, GBP, EUR, CHF, JPY**		79.5%	86.5%

\*\* The FX advance rate will apply whenever a currency mismatch is present. In case foreign currency government bonds are provided, both the AR for FX risk and the security AR will be multiplied. The FX ARs for currency pairs other than USD, GBP, EUR, CHF and JPY are not provided, but Fitch may publish these in the future.

**Part 2 - Moody's Valuation Percentages:**

	<b>FIRST TRIGGER</b>	<b>SECOND TRIGGER</b>
<b>INSTRUMENT</b>		
Sterling Cash	100%	100%
EURO Cash	99%	97%
U.S. Dollar Cash	98%	95%
U.S. Dollar Denominated Fixed-Rate Negotiable Treasury Debt issued by the U.S. Treasury Department with Remaining Maturity		
< 1 Year	98%	95%
1 to 2 years	98%	94%
2 to 3 years	98%	93%
3 to 5 years	98%	92%
5 to 7 years	98%	91%
7 to 10 years	98%	89%
10 to 20 years	98%	86%
> 20 years	98%	84%
U.S. Dollar Denominated Floating-Rate Negotiable Treasury Debt issued by the U.S. Treasury Department		
All Maturities	98%	94%
U.S. Dollar Denominated Fixed-Rate U.S. Agency Debentures with Remaining Maturity		
< 1 Year	98%	94%
1 to 2 years	98%	94%
2 to 3 years	98%	93%
3 to 5 years	98%	91%
5 to 7 years	98%	90%
7 to 10 years	98%	88%
10 to 20 years	98%	85%
> 20 years	98%	83%
U.S. Dollar Denominated Floating-Rate U.S. Agency Debentures		
All Maturities	98%	93%
EURO Denominated Fixed-Rate Euro-Zone Government Bonds Rated Aa3 or Above by Moody's with Remaining Maturity		
< 1 Year	99%	97%
1 to 2 years	99%	96%
2 to 3 years	99%	95%
3 to 5 years	99%	93%
5 to 7 years	99%	92%
7 to 10 years	99%	91%
10 to 20 years	99%	86%
> 20 years	99%	84%
EURO Denominated Floating-Rate Euro-Zone Government Bonds Rated Aa3 or Above by Moody's		
All Maturities	99%	96%
Sterling Denominated Fixed-Rate United Kingdom Gilts with Remaining Maturity		
< 1 Year	100%	99%
1 to 2 years	100%	98%
2 to 3 years	100%	97%
3 to 5 years	100%	96%
5 to 7 years	100%	95%
7 to 10 years	100%	94%
10 to 20 years	100%	90%
> 20 years	100%	88%
Sterling Denominated Floating-Rate United Kingdom Gilts		

	FIRST TRIGGER	SECOND TRIGGER
All Maturities	100%	99%

"Moody's Valuation Percentages" means, in respect of each instrument in the above table, (i) so long as the Moody's Threshold for Party A is zero and either (A) the Second Rating Trigger Requirements do not apply or (B) less than 30 Local Business Days have elapsed since the last time the Second Rating Trigger Requirements did not apply, the corresponding percentage in the column headed "First Trigger" and (ii) so long as (A) the Second Rating Trigger Requirements apply and (B) at least 30 Local Business Days have elapsed since the last time the Second Rating Trigger Requirements did not apply, the corresponding percentage in the column headed "Second Trigger".

**BARCLAYS BANK PLC**

**BRASS No.1 PLC**

.....  
(Name of Party)  
By: Name: *CAROLINE ELLIS*  
Title: *DIRECTOR*  
Date:

.....  
(Name of Party)  
By: Name:  
Date:



**BARCLAYS BANK PLC**

.....  
(Name of Party)

By:

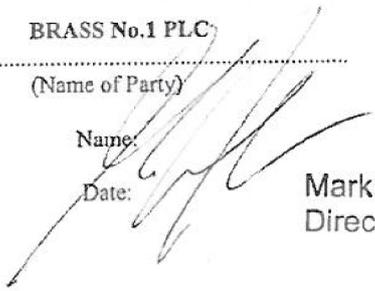
Name:  
Title:  
Date:

**BRASS No.1 PLC**

.....  
(Name of Party)

By:

Name:  
Date:



**Mark Filer**  
**Director**