



IMPORTANT NOTICE

DTCC DERIV/SERV LLC

TIW#:	TIW#690
Date:	January 13, 2020
To:	Distribution
From:	Legal Department
Subject:	DTCC Deriv/SERV LLC Revised TIW Operating Procedures

DTCC Deriv/SERV LLC (“Deriv/SERV”) will be amending the TIW Operating Procedures to implement the ISDA 2019 NTCE Protocol (“NTCE Protocol”) designed to address certain issues related to narrowly tailored credit events which is expected to be implemented on January 27, 2020 and to make certain clarifications and corrections. The NTCE Protocol would allow parties to amend their legacy transactions to incorporate the 2019 Narrowly Tailored Credit Event Supplement (“NTCE Supplement”) to the 2014 ISDA Credit Derivatives Definitions (“2014 Definitions”).

Following implementation of the NTCE Protocol, all trades governed by the 2014 Definitions and processed through the TIW would be processed in accordance with the NTCE Supplement as if the parties to such trades had adhered to the NTCE Protocol. Users that do not agree for their trades to be processed in accordance with the NTCE Supplement upon any event that would constitute a Failure to Pay but for the NTCE Supplement would need to remove their trades (exit) from the TIW upon any such event and settle bilaterally.

A marked copy of the TIW Operating Procedures reflecting the changes is attached. The changes will be effective on January 27, 2020. The current effective version of the TIW Operating Procedures can be found on the DTCC website at:

<http://www.dtcc.com/repository-and-derivatives-services/derivatives-services/trade-information-warehouse>

Any questions or comments regarding this notice or Deriv/SERV in general should be directed to your relationship manager.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit <http://dtcc.com/rss-feeds.aspx>.

TIW Post-Trade Services
Appendix to
DTCC Deriv/SERV LLC
Operating Procedures

**DTCC DERIV/SERV LLC
TRADE INFORMATION WAREHOUSE POST-TRADE SERVICES**

I. INTRODUCTION

The Trade Information Warehouse (“TIW”) is a service offering operated by DTCC Deriv/SERV LLC (the “Company”) and DTCC Derivatives Repository ~~Limited~~Plc (the “DDRL”). The Company implements and maintains for the benefit of Users post-trade services described herein (the “Warehouse Post-Trade Services”) and is intended as a central technology infrastructure that automates and standardizes trade processing, life cycle event processing, notional adjustments, payment calculations and other calculations and other ancillary services with respect to eligible transactions (“Warehouse Transactions”). The record for each Warehouse Transaction is maintained in the TIW by DDRL and will be referred to herein as a “Warehouse Record”. The Warehouse Post-Trade Services will be deemed a Service for purposes of the Operating Procedures; provided that in the event of any conflict between this Appendix and any other provision of the Operating Procedures (or the appendices thereto) in connection with a Warehouse Transaction (and related records) for which Warehouse Post-Trade Services are to be provided hereunder, this Appendix shall govern.

II. INTERACTION WITH TIW

In providing Warehouse Post-Trade Services hereunder, the Company will use the Warehouse Records of Warehouse Transactions to which Users are party, may modify such Warehouse Records and/or create new Warehouse Records as part of the Warehouse Post-Trade Services and will provide such modifications (including, as applicable, related “exit” instructions generated as part of the Warehouse Post-Trade Services) or new records to the TIW to be maintained therein. For the avoidance of doubt, the terms, conditions and procedures under which Warehouse Records are maintained are governed by the applicable operating procedures of DDRL. The Company will rely on the contents and status of Warehouse Records maintained in TIW and will not (and will not be required to) independently verify any such information. The Company will not be deemed to have notice of any applicable terms and conditions of any service used to submit a transaction to the TIW. The Company may provide different Warehouse Post-Trade Services for different types of Warehouse Transactions, as set forth from time to time in an Important Notice or Applicable Publications. By its use of Warehouse Post-Trade Services, each User hereby agrees to the foregoing. The Company may obtain Warehouse Records from DDRL or from the submission service that submitted the record to TIW in DDRL.

III. INFORMATIONAL PAYMENT CALCULATIONS

NOTE: The following provisions shall be in effect for payments calculated by the Company other than pursuant to the Central Settlement Appendix to the Operating Procedures.

The Company may provide calculations (“Informational Payment Calculations”) with respect to certain payments due under Warehouse Transactions, as set forth by the Company from time to time by Important Notice or through Applicable Publications. Any Informational Payment Calculations may be made by the Company solely on the basis of the related Warehouse Record, the Operating Procedures and certain assumptions as may be adopted from time to time by the Company by an Important Notice or through Applicable Publications. For this purpose, the Company shall not be deemed to have notice of the terms of any other agreement or understanding between Users that may affect relevant Informational Payment Calculations, including, without limitation, any relevant master agreement, master confirmation agreement, master confirmation annex and/or standard terms document, however described (each, a “Master Document”).

The Informational Payment Calculations are intended merely for the convenience of Users and for informational purposes only. In providing Informational Payment Calculations, the Company will not be acting as agent or in a similar capacity for any User and will not be acting as calculation agent or in a similar capacity under the terms of any Warehouse Transaction. Without limiting any other provisions of the Operating Procedures (including, without limitation, the Important Legal Information section), the Company will have no responsibility or liability for the accuracy of any Informational Payment Calculations. Informational Payment Calculations will not create, alter or foreclose any legal obligation related to a Warehouse Transaction (including, but not limited to, any applicable payment obligation) that may exist between or among Users. Although records of Informational Payment Calculations will be provided to and maintained in the TIW, they will not form part of any Warehouse Record.

IV. PROCESSING AFTER CREDIT EVENTS VIA PROTOCOL OR AUTOMATIC ADHERENCE

On or after the date determined by the Company and subject to the provisions herein and in any Applicable Publications, the Company will provide a facility for Users to submit protocol adherence notices or messages (each, a “Protocol Adherence Message”) with respect to credit events related to specified categories of Warehouse Transactions that are credit derivative transactions, with the effect set forth herein.

Unless otherwise determined by the Company, the Protocol Adherence Message function will not be available for Warehouse Transactions relating to a particular reference entity unless the Company has specifically activated the function for that entity. The Company will activate the Protocol Adherence Message function for a reference entity (a “Protocol Activation Event”) upon (i) in the case of Auction Supplement Transactions (other than where the relevant credit event is a restructuring) (“Non-Restructuring Auction Supplement Transactions”), upon receipt by the Company of a statement or notice from ISDA or the relevant Credit Derivatives Determinations Committee (as defined in the Auction Supplement) that a settlement auction will be held with respect to such reference entity; or (ii) in the case of other transactions (other than where the

relevant credit event is a restructuring), (a) receipt of a written request to do so by one or more members of the Company's senior operations working group (or any successor to such group), which request must be in accordance with procedures for that purpose established by the Company and must state that a credit event has occurred and specify in reasonable detail the facts relevant to the determination of such credit event or (b) receipt of a published statement from a widely recognized industry group or index publisher or service provider for the relevant product indicating that a credit event has occurred and specifying in reasonable detail the facts relevant to the determination of such credit event (including, by way of example and without limitation, an announcement that an auction settlement protocol will be conducted with respect to a reference entity). The Company, through Important Notice, will inform all Users that a Protocol Activation Event has occurred. Prior to the occurrence of a Protocol Activation Event, the System will not accept any Protocol Adherence Messages for a reference entity.

As used herein, an Auction Supplement Transaction is a Warehouse Transaction (i) that is subject to the 2014 ISDA Credit Derivatives Definitions (directly or by way of the ISDA 2014 Credit Derivatives Definitions Protocol) as supplemented by the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions ("2019 NTCE Supplement") or, to the extent clause (i) does not apply, (ii) that is subject to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on March 12, 2009 (the "March 2009 Auction Supplement") or the 2009 ISDA Credit Derivatives Determinations Committees, Auction Supplement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on July 14, 2009 (the "July 2009 Auction Supplement"), and together with the March 2009 Auction Supplement, an "Auction Supplement"), by the terms of these Operating Procedures, ~~(iii)~~ that is subject to the 2012 ISDA U.S. Municipal Reference Entity Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on March 5, 2012 (the "March 2012 Supplement"), ~~(iv)~~ that had a Trade Date or Novation Date, as applicable, prior to April 8, 2009 but is a Protocol Covered Transaction (other than a Covered Non-Auction Transaction) as defined in the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement CDS Protocol (the "March 2009 Auction Settlement Protocol") or would be such transaction but for the failure of a party to adhere to the March 2009 Auction Settlement Protocol, ~~(v)~~ that had a Trade Date or Novation Date, as applicable, prior to July 24, 2009 but is a Protocol Covered Transaction (other than a Covered Non-Auction Transaction) as defined in the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol (the "July 2009 Auction Settlement Protocol"), or would be such transaction but for the failure of a party to adhere to the July 2009 Auction Settlement Protocol, or ~~(vi)~~ that had a Trade Date or Novation Date, as applicable, prior to April 3, 2012 but is a Protocol Covered Transaction (other than a Covered Non-Auction Transaction) as defined in the 2012 ISDA U.S. Municipal Reference Entity CDS Protocol (the "March 2012 Auction Settlement Protocol"), and together with the March 2009 Auction Settlement Protocol and the July 2009 Auction Settlement Protocol, an "Auction Settlement Protocol"), or would be such transaction but for the failure of a party to adhere to the March 2012 Auction Settlement Protocol. For the avoidance of doubt, the Company shall treat Warehouse Transactions described in clause ~~(iii), (iv), (v)~~ and ~~(vi)~~ above as Auction Supplement Transactions, regardless of whether the parties to such transactions adhered to the relevant Auction Settlement Protocol, and the Company will have no obligation to inquire or determine whether the parties to a Warehouse Transaction adhered to such protocol.

As used herein, “Credit Derivatives Definitions” shall mean the (i) 2014 ISDA Credit Derivatives Definitions (as published by ISDA), as supplemented by the 2019 NTCE Supplement (“2014 Definitions”) or (ii) 2003 ISDA Credit Derivatives Definitions (as published by ISDA), as supplemented by the March 2012 Supplement and an Auction Supplement (“2003 Definitions”), as applicable to a particular Warehouse Transaction. Capitalized terms used herein but not otherwise defined in this Appendix shall have the meanings set forth in the Credit Derivatives Definitions.

The occurrence of a Protocol Activation Event for a reference entity shall not be deemed to be a determination or representation by the Company that any alleged credit event has or has not occurred with respect to that reference entity under any applicable Master Document or the Credit Derivatives Definitions and shall not be deemed to affect the determination by the parties or others under the terms of any Warehouse Transaction as to whether a credit event has or has not occurred. The Company will have no responsibility or liability for the accuracy of any information set forth in any notice delivered by members of the Company’s senior operations working group (or any successor to such group) or received from an industry group, index publisher, service provider or determination committee related to such Protocol Activation Event. Without limiting the foregoing, the Company will have no responsibility for determining whether any relevant credit event occurred prior to any Credit Event Backstop Date for a Warehouse Transaction.

The Company, through Important Notice or through Applicable Publications, will specify the information that Users will be required to provide in order to submit a valid Protocol Adherence Message and the manner in which such messages are to be submitted (including whether such messages may be in electronic or other written form). Users may submit a global Protocol Adherence Message with respect to all Warehouse Transactions related to the applicable reference entity and/or may submit Protocol Adherence Messages with respect to individual Warehouse Transactions. In the case of a global Protocol Adherence Message, the Company will deem the Protocol Adherence Message to apply to each Warehouse Transaction related to the applicable reference entity as determined in accordance with the specified RED code (or similar code) for that entity. A User that has submitted a global Protocol Adherence Message may revoke such global message such that it will not apply to any relevant Warehouse Transactions added to the TIW after such revocation. In addition, a User that has submitted a Protocol Adherence Message with respect to a particular Warehouse Transaction (either by a global message or individually) may revoke such message with respect to that Warehouse Transaction at any time prior to the Processing Cut-Off Time (as defined below). Notwithstanding anything to the contrary herein, unless otherwise determined by the Company, each User party to a Warehouse Transaction that is (i) a Non-Restructuring Auction Supplement Transaction or (ii) a tranching index credit default swap transaction or loan index credit default swap transaction (whether untranching or tranching) that is not a Non-Restructuring Auction Supplement Transaction, in either case related to the applicable reference entity will automatically be deemed by the Company to have submitted a Protocol Adherence Message with respect to such transaction (and references herein to “submission” of a Protocol Adherence Message shall include any such deemed submission); provided that such User may revoke such Protocol Adherence Message for such transaction at any time prior to the Processing Cut-Off Time; provided, further, that clause (i) will only apply where the Protocol Activation Event occurred on or following June 20, 2009. The Company may operate the Protocol Adherence Message function separately in connection with Auction Side Letters (as defined below) for applicable reference entity.

Submission of a valid Protocol Adherence Message by both Users party to a Warehouse Transaction, where such message has not been revoked by either User for such Warehouse Transaction as of a certain cut-off date and time established by the Company for the relevant Protocol Activation Event (the “Processing Cut-Off Time”), will serve as an instruction by such Users to the Company to calculate and process settlement payments for such transaction in accordance with any applicable Transaction Auction Settlement Terms, subject to the terms and conditions set forth herein (a “Protocol Settlement Designation”).

For these purposes, “Transaction Auction Settlement Terms” will include any applicable ISDA cash settlement protocol or Transaction Auction Settlement Terms (or other similar process by which the “final price” (or similar term) with respect to qualifying credit derivative transactions is determined), including without limitation the Transaction Auction Settlement Terms under the Auction Supplement. For the avoidance of doubt, the Processing Cut-Off Time may be later than any deadline for adherence under Transaction Auction Settlement Terms, if applicable.

Notwithstanding the foregoing, the Company will only calculate and process settlement payments for a Warehouse Transaction based on the applicable Transaction Auction Settlement Terms if the following conditions are met: (i) the Warehouse Transaction shall have a status of “Certain” in the TIW as of the Processing Cut-Off Time, (ii) the Company is at such time calculating and processing payments for the relevant type of transaction and the Users party to the transaction have satisfied any applicable conditions to the use of those payment calculation and processing services, (iii) relevant auction settlement terms covering the credit event related to the applicable Protocol Activation Event apply to the transactions of the same type as the Warehouse Transaction, (iv) solely to the extent adherence to Transaction Auction Settlement Terms is required under the terms thereof, both Users party to the Warehouse Transaction have adhered to such Transaction Auction Settlement Terms as of the deadline for such adherence (and satisfied any conditions with respect thereto) and neither party has revoked its adherence prior to such time, based on information made publicly available by ISDA or the other party sponsoring the auction (the “Auction Sponsor”) or both Users party to the Warehouse Transaction shall have notified or confirmed to the Company, in a manner to be specified by the Company and by a deadline to be specified by the Company, that they have entered into a side letter or other arrangement (a “Auction Side Letter”) specifying that the Warehouse Transaction (by itself or together with other transactions between them) shall be settled on the basis of the final price determined pursuant to the Transaction Auction Settlement Terms, (v) both Users party to the Warehouse Transaction have submitted a valid Protocol Adherence Message applicable to such Warehouse Transaction and neither party has revoked such message with respect to such Warehouse Transaction as of the Processing Cut-Off Time and (vi) the applicable auction or other settlement or price determination mechanism under the terms of the Transaction Auction Settlement Terms occurs and a “final price” or similar settlement price is determined and published by the Auction Sponsor. In addition, in calculating settlement payments for a Warehouse Transaction that is an index credit default swap, the Company will assume that all settlement payments due (or that would be due following delivery of any required notices) with respect to credit events occurring prior to the Protocol Activation Event have been made.

If such conditions are satisfied with respect to a Warehouse Transaction, each User shall be deemed to agree, by submission of a Protocol Adherence Message, that, notwithstanding anything to the contrary in any applicable Master Document or other documentation for such

transaction, (i) the settlement of the relevant Warehouse Transaction (including the settlement method and determination of any relevant final price) shall be subject to and governed by the applicable Transaction Auction Settlement Terms and (ii) any calculations and settlement processing performed by the Company with respect to such Warehouse Transaction shall be performed on the basis of the final price determined in accordance with the applicable Transaction Auction Settlement Terms. Following the completion of any such settlement processing for a Warehouse Transaction that is a “single-name” credit default swap, the related Warehouse Record will automatically be deemed to “exit” the TIW, with the effect set forth in Section V of this Appendix. Following the completion of any such settlement processing for a Warehouse Transaction that is an “index” credit default swap (whether “tranching” or “untranching”), if (i) the index publisher has published a new version of the relevant index taking into account the occurrence of the relevant credit event (the “New Index Version”), (ii) the related Warehouse Record has a status of “Certain” as of the applicable cash settlement date for the Transaction Auction Settlement Terms and (iii) the Company is then providing index versioning services for such index, then the Company will automatically amend the “Index Name”, “Annex Date” (or equivalent fields) and any other relevant field in such Warehouse Record to reflect the New Index Version, effective as of such cash settlement date, and will thereafter use the latest version of the relevant settled entity matrix applicable to the New Index Version as of such cash settlement date for purposes of ongoing calculations.

Failure by Users to make a Protocol Settlement Designation in the System for a Warehouse Transaction or of the other conditions above to be satisfied shall not be deemed to affect the Users’ legal obligations with respect to that transaction or to indicate that it is not subject to any applicable Transaction Auction Settlement Terms or Auction Side Letter. Rather, the result of such failure will be that the Company will not calculate and process settlement payments for such transaction based on the applicable Transaction Auction Settlement Terms. The Company is not responsible for the consequences of any such failure. In addition, failure to make a Protocol Settlement Designation shall not affect the validity of any credit event notice or similar notice delivered by a party or determination made by a determinations committee, where applicable.

For purposes of processing the settlement of Warehouse Transactions for which the above conditions are satisfied, the Company will use any applicable final or settlement prices published by the Auction Sponsor. The Company will have no responsibility or liability for the accuracy of such published prices or for the reasonableness or sufficiency of the process by which such prices were determined. The Company shall not, by virtue of providing the services described herein, be deemed to participate in or be involved with the administration or implementation of any auction or any other process whereby final prices are determined pursuant to Transaction Auction Settlement Terms or otherwise to have any connection with such protocol or any Auction Side Letter. The Company shall not be responsible for reviewing the terms or otherwise determining the sufficiency or scope of any Auction Side Letter.

In the case of (i) a Warehouse Transaction that is an untranching index credit default swap transaction for which one, but not both, parties submitted (and did not revoke) a Protocol Adherence Message for a credit event, (ii) a Warehouse Transaction that is an untranching index credit default swap transaction for which both parties submitted (and did not revoke) a Protocol Adherence Message for a credit event but for which credit event processing did not occur pursuant to this section V because the related Warehouse Record had a status of “Uncertain” at the relevant

time, or (iii) a Warehouse Transaction that is an untranching index credit default swap transaction for which one or both parties submitted (and did not revoke) a Protocol Adherence Message for a credit event but for which a “no-calc” election had been made under the Central Settlement Appendix, the Company will nonetheless update the applicable calculation factor associated with the Warehouse Record to take into account such credit event for purposes of any future fixed amount (coupon) payment calculations for that transaction. Any such factor update shall not be deemed to create, alter or foreclose any legal obligation, right or defense related to a Warehouse Transaction (including with respect to such payment) that may exist between or among the parties thereto. For the avoidance of doubt, in such cases the Company will not calculate any cash settlement amount for such transaction in respect of such credit event.

A Warehouse Transaction that is a fixed recovery credit default swap shall be subject to processing pursuant to this Section IV and Section V as otherwise provided herein and therein for credit default swaps relating to a single reference entity; provided that for purposes of the processing of the settlement of any such Warehouse Transaction, the Company will use the applicable final price set forth in the related Warehouse Record.

A Warehouse Transaction that is a recovery lock credit default swap shall be subject to processing pursuant to this Section IV and Section V as otherwise provided herein and therein for credit default swaps relating to a single reference entity; provided that for purposes of the processing of the settlement of any such Warehouse Transaction, the Company will calculate the applicable cash settlement amount in accordance with the Additional Provisions for Recovery Lock Credit Derivative Transactions, if applicable, using the applicable reference price or recovery price, as the case may be, set forth in the related Warehouse Record.

A Warehouse Transaction that is a credit default swaption related to a single reference entity shall be subject to processing pursuant to this Section IV and Section V as otherwise provided herein and therein for credit default swaps relating to a single reference entity; provided that notwithstanding anything to the contrary herein, a Protocol Settlement Designation with respect to any such Warehouse Transaction shall serve as a direction by both Users to the Company to process the “exit” of such transaction from the TIW (and for the avoidance of doubt the Company shall not calculate or process any settlement in connection therewith).

V. PROCESSING FOR RESTRUCTURING CREDIT EVENTS

~~As used in this Section V, references to the “Credit Derivatives Definitions” shall be to the 2003 ISDA Credit Derivatives Definitions (as published by ISDA), as supplemented by the July 2009 Auction Supplement. Capitalized terms used in this Section V but not otherwise defined in this Appendix shall have the meanings set forth in the Credit Derivatives Definitions.~~

A. Scope of Application

Subject to subsections F and G below, the provisions set forth in Section V (B)-(D) below shall apply to any Restructuring Supplement Transaction (as defined below) relating to a single Reference Entity, and, to the extent provided in subsection E below, to any Restructuring Supplement Transaction relating to an index of Reference Entities.

B. Credit Event Notice Facility

On or after a date determined by the Company and subject to the provisions herein and in any Applicable Publications, the Company will provide a facility (the “Restructuring Credit Event Notice Facility”) for the delivery through the System of credit event notices in connection with Restructuring Supplement Transactions following a public announcement by ISDA that a Restructuring Credit Event has occurred with respect to a particular Reference Entity (such entity, a “Restructured Entity”). The Company, through Important Notice, will inform all Users that the Restructuring Credit Event Notice Facility has been activated for a particular Restructured Entity at the same time at which the facility is so activated. As used herein, a “Restructuring Supplement Transaction” is a Warehouse Transaction (i) that is subject to the 2014 Definitions, where the relevant credit event is an M(M)R Restructuring, or if clause (i) does not apply, (ii) that is subject to the July 2009 Auction Supplement by its terms (including without limitation through the terms of the applicable submission service that submitted the record to the TIW or ~~(#iii)~~) that had a Trade Date or Novation Date, as applicable, prior to July 24, 2009 but is a Protocol Covered Transaction (other than a Covered Non-Auction Transaction) as defined in the July 2009 Auction Settlement Protocol or would be such transaction but for the failure of a party to adhere to the July 2009 Auction Settlement Protocol. For the avoidance of doubt, the Company shall treat Warehouse Transactions described in clause ~~(#iii)~~ above as Restructuring Supplement Transactions, regardless of whether the parties to such transactions adhered to the July 2009 Auction Settlement Protocol, and the Company will have no obligation to inquire or determine whether the parties to a Warehouse Transaction adhered to such protocol.

Pursuant to the Restructuring Credit Event Notice Facility, a User that is party to a Restructuring Supplement Transaction may submit a credit event notice message (the “Restructuring Credit Event Notice”). Such submission may serve as a “Credit Event Notice” by such User to the counterparty User with respect to the relevant Restructuring Credit Event for purposes of the relevant Restructuring Supplement Transaction, but without prejudice to any requirements applicable to Credit Event Notices under the Credit Derivatives Definitions other than the requirement that a Notifying Party deliver a Credit Event Notice directly to the other party to the relevant transaction. Each User shall be deemed to agree that, notwithstanding anything to the contrary in any Master Documents or the Credit Derivatives Definitions, submission by a User of a Restructuring Credit Event Notice shall be a permissible and legally effective means of delivering a Credit Event Notice under the terms of such Restructuring Supplement Transaction without prejudice to any other means of delivery of a credit event notice permitted by the terms of such Restructuring Supplement Transaction. For the avoidance of doubt, where both parties to a Restructuring Supplement Transaction submit Restructuring Credit Event Notice (or where one party or both parties to such Restructuring Supplement Transaction deliver Credit Event Notice(s) outside of the System) in respect of such Restructuring Supplement Transaction (or applicable portion thereof), the provisions in the Credit Derivatives Definitions as regards priority of Credit Event Notices given by protection buyer or protection seller shall apply; provided that the Company will not recognize for purposes of processing under this Section V any Credit Event Notice delivered outside of the System unless an Outside Credit Event Record (as defined below) is submitted with respect thereto and accepted by the counterparty. The Company shall not be responsible for determining whether a User party to a Restructuring Supplement Transaction is a

Notifying Party or is otherwise entitled to deliver a Credit Event Notice under the terms thereof, and will conduct Credit Event processing on the basis that a User submitting a Restructuring Credit Event Notice is so entitled, but without prejudice to the rights and obligations of the parties to such Restructuring Supplement Transaction in respect of any impermissible delivery.

The Company will make the Restructuring Credit Event Notice available to the counterparty User through the System, and the System has been designed to make such notice available to the counterparty User as soon as practicable following the time of submission. For the avoidance of doubt the recipient of any such notice need not acknowledge or accept such notice in order for it to be effective for purposes hereof. The Company, through Important Notice or through Applicable Publications, will specify the information that Users will be required to provide in order to submit a valid Restructuring Credit Event Notice and the manner in which such messages are to be submitted. A Restructuring Credit Event Notice will be irrevocable. A User may submit a Restructuring Credit Event Notice with respect to a Restructuring Supplement Transaction whether or not such transaction has a status of “Certain” in the TIW. However, for the avoidance of doubt, the Company will calculate and process settlement payments for a Restructuring Supplement Transaction only if such transaction has a status of “Certain”.

The Restructuring Credit Event Notice will be deemed effective as of the Processing Time (as defined below), regardless of when such notice is submitted to the System by the submitting User or actually received or reviewed by the counterparty. The Company will only apply Restructuring Credit Event Notices for further processing with respect to a particular Restructuring Credit Event if the Processing Time is prior to the applicable exercise deadline for such event (the “Exercise Cut-Off Time”) under the Credit Derivatives Definitions. The Company will make available at the Processing Time through the System to both the submitting User and its counterparty the Processing Time for any Restructuring Credit Event Notice. A Restructuring Credit Event Notice with a Processing Time after the Exercise Cut-Off Time will be accepted and recorded by the System, but the Company will not treat it as being effectively delivered and will provide no further Credit Event processing with respect thereto, and such notice will not be effective for either party to the relevant Restructuring Supplement Transaction. As used herein, the “Processing Time” for a Restructuring Credit Event Notice or Movement Option Notice (as defined below) that has been submitted to the Company will be the time, as recorded by the Company, as of which the Company has completed those steps necessary in the System to make such notice available for viewing in the various DTCC access systems.

If a User party to a Restructuring Supplement Transaction is unable to access Restructuring Credit Event Notices sent to it through the System due to a failure of that User’s computer systems, electronic messaging systems, or other similar occurrence, the Company will make available to the User, upon request, one or more periodic reports of such notices (as so requested) in a form determined by the Company. The Company will use best efforts to provide such report promptly upon request and with such frequency as is reasonably requested by the relevant User. Except to the extent provided in the “Important Legal Information” section of these Operating Procedures, the Company shall not be responsible for any delay in providing a Restructuring Credit Event Notice to the receiving party, and in no event shall the Company be responsible for any failure of such party to monitor the System for such notices or for any inability of such party to provide credit event notices with respect to other transactions as a result of its delayed or missed receipt of a Restructuring Credit Event Notice.

For purposes of Section [1.33 of the 2014 Definitions](#) or Section 3.9 of the [Credit Derivatives 2003](#) Definitions, a User may submit through the System a Restructuring Credit Event Notice specifying an Exercise Amount that is less than the outstanding Floating Rate Payer Calculation Amount or notional amount with respect to the relevant Restructuring Supplement Transaction (a “[Partial Credit Event Notification](#)”). A Restructuring Credit Event Notice that specifies an Exercise Amount that exceeds the outstanding Floating Rate Payer Calculation Amount or notional amount will be deemed to specify such outstanding Floating Rate Payer Calculation Amount or notional amount of the applicable Restructuring Supplement Transaction. The System will track, and make available to the relevant parties, information concerning the extent of any Partial Credit Event Notification of a Restructuring Supplement Transaction by the protection buyer and/or protection seller. In furtherance of the provisions of [1.33 of the 2014 Definitions](#) or Section 3.9 of the [Credit Derivatives 2003](#) Definitions, and without prejudice to the rights and obligations of the parties to a Restructuring Supplement Transaction thereunder, if an effective Partial Credit Event Notification has been submitted with respect to a Restructuring Supplement Transaction, upon the Exercise Cut-Off Time the Company will, without further action of the parties thereto, reduce the Floating Rate Payer Calculation Amount or notional amount of such Restructuring Supplement Transaction (the “[Remaining Reduced Transaction](#)”) to the extent of the relevant Exercise Amount and simultaneously establish a new Restructuring Supplement Transaction with identical terms to those of the original Restructuring Supplement Transaction but with a Floating Rate Payer Calculation Amount or notional amount equal to such Exercise Amount (a “[Partial Trigger Resulting Transaction](#)”). A Restructuring Credit Event Notice will be deemed to have been submitted with respect to a Partial Trigger Resulting Transaction without the need for further action by the parties, but no Restructuring Credit Event Notice will be deemed to have been submitted with respect to the Remaining Reduced Transaction (unless a subsequent Restructuring Credit Event Notice is effectively delivered with respect thereto). Where Partial Credit Event Notifications are submitted with respect to a Restructuring Supplement Transaction by both parties thereto, the relevant Exercise Amount will be determined in accordance with the relevant provisions of the Credit Derivatives Definitions as regards priority of notices delivered by protection buyer and protection seller. When a Partial Trigger Resulting Transaction is created, the Company will notify both of the parties thereto through the System in the manner generally applicable for notices by the Company of new Warehouse Transactions.

The Company will also provide a facility pursuant to which a record of the delivery of a Credit Event Notice with respect to a Restructuring Credit Event outside of the System may be submitted to the System in respect of a Restructuring Supplement Transaction (an “[Outside Credit Event Record](#)”). The Company, through Important Notice or through Applicable Publications, will specify the information that Users will be required to provide in order to submit such a record and the manner in which such a record is to be submitted. Submission of an Outside Credit Event Record by one party will not itself constitute a Credit Event Notice under a Restructuring Supplement Transaction or otherwise have any legal effect. However, if an Outside Credit Event Record is accepted by the recipient in the manner specified by the Company by Important Notice or Applicable Publications, the System will treat such message as if it were a Restructuring Credit Event Notice; provided that, notwithstanding any provision of the relevant Master Document(s), the Credit Derivatives Definitions or this Section V to the contrary, an Outside Credit Event Record, regardless of when submitted, that is accepted by the recipient as provided above after the

relevant Exercise Cut-Off Time will be treated as if it had been received and was effective immediately prior to the Exercise Cut-Off Time, and the Users party to the relevant Restructuring Supplement Transaction will be deemed to have agreed that such Outside Credit Event Record may constitute an effective Restructuring Credit Event Notice notwithstanding the actual time of submission or acceptance of such Outside Credit Event Record.

The activation of the Restructuring Credit Event Notice Facility for a Reference Entity shall not be deemed to be a determination or representation by the Company that any alleged Credit Event has or has not occurred with respect to that Reference Entity under any applicable Master Document or the Credit Derivatives Definitions and shall not be deemed to affect the determination by the parties or others under the terms of any Restructuring Supplement Transaction as to whether a Credit Event has or has not occurred or the rights or obligations of the parties with respect thereto, except as expressly set forth herein. The Company will have no responsibility or liability for the accuracy of any information set forth in any notice received from, or public announcement made by, ISDA or a DC related to such Credit Event. Without limiting the foregoing, the Company will have no responsibility for determining whether any relevant Credit Event occurred prior to any Credit Event Backstop Date for a Restructuring Supplement Transaction; provided however that any processing of the Restructuring Credit Event Notice or Outside Credit Event Record, as applicable, will be without prejudice to the rights of the parties in the event that the credit event did occur prior to the Credit Event Backstop Date for such Restructuring Supplement Transaction. For the avoidance of doubt, the Company will conduct Credit Event processing under this Section V solely on the basis of Restructuring Credit Event Notices (and Outside Credit Event Records) effectively submitted (and, in the case of Outside Credit Event Records, accepted) in accordance with the terms hereof (provided, for the further avoidance of doubt, that the Company will calculate and process settlement payments for a Restructuring Supplement Transaction only if such transaction has a status of “Certain”), but without prejudice to the rights and obligations of the parties to a Restructuring Supplement Transaction in respect of any Credit Event Notice delivered outside of the System.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection B shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

C. Maturity Classification and Movement Option

The Company shall classify each Restructuring Supplement Transaction for which a Restructuring Credit Event Notice has been effectively submitted (each, a “Triggered Restructured Transaction”) into the applicable maturity category for the relevant Restructuring Credit Event (each, a “Maturity Bucket”) based on the Scheduled Termination Date of such Triggered Restructured Transaction, the applicable User that submitted the relevant Restructuring Credit Event Notice and the applicable terms of the Triggered Restructured Transaction (including without limitation under the Credit Derivatives Definitions and Transaction Auction Settlement Terms (including any applicable rounding convention under the Credit Derivatives Definitions)).

If a Movement Option is applicable to a Maturity Bucket for Triggered Restructured Transactions under the Credit Derivatives Definitions, the Company will provide a facility pursuant to which Users party to such transactions may submit a movement option adherence

message (a “Movement Option Notice”). A User will not be entitled to submit through the System a Movement Option Notice other than for the outstanding Floating Rate Payer Calculation Amount or notional amount of the Triggered Restructured Transaction (provided that for the avoidance of doubt each Partial Trigger Resulting Transaction will be deemed a separate Triggered Restructured Transaction for this purpose). A Movement Option Notice that is effective as described below may serve as a “Notice to Exercise Movement Option” by such User for purposes of the relevant Triggered Restructured Transaction, but without prejudice to any requirements applicable to Notices to Exercise Movement Option under the Credit Derivatives Definitions other than the requirement that a Notifying Party deliver such notice directly to the other party to the relevant transaction. Each User shall be deemed to agree that, notwithstanding anything to the contrary in any Master Document(s) or the Credit Derivatives Definitions, submission by a User of a Movement Option Notice shall be a permissible and legally effective means of delivering a “Notice to Exercise Movement Option” under the terms of a Triggered Restructured Transaction without prejudice to any other means of delivery of a “Notice to Exercise Movement Option” permitted by the terms of such Restructuring Supplement Transaction. For the avoidance of doubt, where both parties to a Triggered Restructured Transaction submit Movement Option Notices, or Notices to Exercise Movement Options in respect of such Triggered Restructured Transaction, the provisions in the Credit Derivatives Definitions as regards priority of Notices to Exercise Movement Option delivered by protection buyer or protection seller shall apply. The Company shall not be responsible for determining whether a User party to a Restructuring Supplement Transaction is a Notifying Party or is otherwise entitled to deliver a Notice to Exercise Movement Option under the terms thereof, and will conduct Credit Event processing on the basis that a User submitting a Movement Option Notice is so entitled, but without prejudice to the rights and obligations of the parties to such Restructuring Supplement Transaction.

The Company will make the Movement Option Notice available to the counterparty User through the System. The System has been designed to make such notice available to the counterparty User as soon as practicable following the time of submission. The Company, through Important Notice or through Applicable Publications, will specify the information that Users will be required to provide in order to submit a valid Movement Option Notice and the manner in which such messages are to be submitted. The recipient of any such notice need not acknowledge or accept such notice in order for it to be effective for purposes hereof. For the avoidance of doubt, a Movement Option Notice will be irrevocable. A User may submit a Movement Option Notice with respect to a Restructuring Supplement Transaction whether or not such transaction has a status of “Certain” in the TIW. However, for the avoidance of doubt, the Company will calculate and process settlement payments for a Restructuring Supplement Transaction only if such transaction has a status of “Certain”.

Movement Option Notices will be deemed effective as of the Processing Time for such notices. The Company will make available at the Processing Time through the System to both the submitting User and its counterparty the Processing Time for any Movement Option Notice. The Company will only apply Movement Option Notices for a particular Credit Event and Triggered Restructured Transaction if the Processing Time is prior to the deadline for such a notice on the Movement Option Cut-Off Date under the Credit Derivatives Definitions (the “Movement Option Cut-Off Time”). Movement Option Notices with a Processing Time after the Movement Option Cut-Off Time will be accepted and recorded by the System, but the Company will not treat such notices as being effectively delivered and will provide no further processing with respect thereto.

Following submission of one or more effective Movement Option Notices by a User with respect to a Triggered Restructured Transaction, the Company will reclassify such Triggered Restructured Transaction into the appropriate Maturity Bucket based on the terms of such Triggered Restructured Transaction. For the avoidance of doubt, the Company will classify and process Triggered Restructured Transactions solely on the basis of Restructuring Credit Event Notices and Movement Option Notices effectively submitted in accordance with the terms hereof, (provided, for the further avoidance of doubt, that the Company will calculate and process settlement payments for a Triggered Restructured Transaction only if such transaction has a status of “Certain”) but without prejudice to the rights and obligations of the parties to a Triggered Restructured Transaction in respect of any Credit Event Notice or Notice to Exercise Movement Option delivered outside of the System.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection C shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

D. Adherence and Auction Processing

The Company will establish a Protocol Activation Event for each applicable Maturity Bucket for which ISDA or the DC has published Transaction Auction Settlement Terms. The provisions of Section V of this Appendix shall apply to each such Protocol Activation Event, except as provided herein.

Unless otherwise determined by the Company, each User party to a Triggered Restructured Transaction classified in the applicable Maturity Bucket (including through the Movement Option) will automatically be deemed by the Company to have submitted a Protocol Adherence Message with respect to such transaction and Maturity Bucket (and references herein to “submission” of a Protocol Adherence Message shall include any such deemed submission); provided that such User may revoke such Protocol Adherence Message for such transaction at any time prior to the Processing Cut-Off Time, and in the case of such revocation without prejudice, however, to any rights or obligations of the parties as set forth under the terms of the relevant Triggered Restructured Transaction. For Triggered Restructured Transactions for which the conditions set forth in Section V above are satisfied, the Company shall conduct settlement processing pursuant to Section V separately for each relevant Maturity Bucket.

For the avoidance of doubt, Triggered Restructured Transactions for which there is no Protocol Activation Event for the relevant Maturity Bucket (i.e., for which no auction is to be held) will not be subject to further processing by the Company, and the Users party thereto are responsible for arranging for the “exit” of the transaction from the TIW and settlement of the transaction in accordance with its terms outside of the System.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection D shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

E. Certain Matters for Index Transactions

In the case of an “untranched” index credit default swap transaction with respect to which a Restructuring Credit Event occurs for a component Reference Entity, the Users party thereto shall be responsible for submitting and confirming through the System one or more separate component transactions with respect to such component Reference Entity (the “Credit Event Component Transactions”) for purposes of the application of the Restructuring Credit Event triggering provisions and related settlement provisions of this Section V, and for the avoidance of doubt Credit Event Component Transactions will then be subject to Credit Event processing as set forth in this Section V. With respect to the remaining index transaction, if (i) the index publisher has published a new version of the relevant index taking into account the occurrence of the relevant Credit Event (the “New Index Version”), (ii) the related Warehouse Record has a status of “Certain” as of the relevant processing date and (iii) the Company is then providing index versioning services for such index, then the Company will automatically amend the “Index Name”, “Annex Date” (or equivalent fields) and any other relevant field in such Warehouse Record to reflect the New Index Version, effective as of the date determined by the Company.

With respect to “tranched” index credit default swaps, the System will permit the delivery of a Restructuring Credit Event Notice and/or Movement Option Notice as described in Section V(B)-(C) above. As described in subsection B above, a User may submit through the System a Restructuring Credit Event Notice that is a Partial Credit Event Notification. For purposes of any submission of a Restructuring Credit Event Notice for a tranching transaction, the specified (or deemed) Exercise Amount will be applied with respect to the Reference Entity Notional Amount rather than the full notional amount for the tranching transaction; provided that any Partial Trigger Resulting Transaction created as a result of such notice will reflect the corresponding portion of the Reference Entity Notional Amount.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection E shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

F. Old R Transactions

With respect to Restructuring Supplement Transactions [\(other than those subject to the 2014 Definitions\)](#) for which neither (i) Restructuring Maturity Limitation and Fully Transferable Obligation Applicable nor (ii) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable is specified (“Old R Transactions”), the System will permit the delivery of a Restructuring Credit Event Notice as described in Section V(B) above; provided that for the avoidance of doubt, no Partial Credit Event Notification may be submitted for an Old R Transaction. With respect to such transaction for which a Restructuring Credit Event Notice is effectively submitted, the Company will establish a Protocol Activation Event and perform Credit Event processing as set forth in Section V above. For the avoidance of doubt, Movement Option Notices may not be submitted in respect of an Old R Transaction and the maturity classification provisions of Section V(C) above will not apply to such transactions. The provisions of Section V(E) will apply to Old R Transactions.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection F shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

G. Certain Provisions for Cleared Transactions

The provisions of this Section V, including V(A) through (F) above, shall apply to Restructuring Supplement Transactions that have been cleared with a clearing organization, with the modifications set forth herein. In processing Restructuring Credit Events for cleared Restructuring Supplement Transactions, the Company will rely on information provided by the relevant clearing organization that matches each cleared Restructuring Supplement Transaction with one or more offsetting cleared Restructuring Supplement Transactions (including an order of priority of matching, as appropriate) for purposes of Restructuring Credit Events (the “Matching Information”). Upon receipt of a Restructuring Credit Event Notice or Movement Option Notice from a User with respect to a cleared Restructuring Supplement Transaction (each, a “User Cleared Transaction Notice”), the TIW, using the Matching Information, will generate and send such Restructuring Credit Event Notice or Movement Option Notice, as the case may be, on behalf of the clearing organization to such clearing organization and the relevant User(s) under the matching cleared Restructuring Supplement Transaction(s) (each, an “Offsetting Cleared Transaction Notice”). Notwithstanding anything to the contrary herein, the Processing Time for both a User Cleared Transaction Notice and the corresponding Offsetting Cleared Transaction Notice shall be the time, as recorded by the Company, as of which the Company has completed those steps necessary in the System to make the User Cleared Transaction Notice available for viewing in the various DTCC access systems (and, for the avoidance of doubt, both the User Cleared Transaction Notice and corresponding Offsetting Cleared Transaction Notice will therefore have the same Processing Time). In the event of a System failure as a result of which the Offsetting Cleared Transaction Notice is not available for viewing in the various DTCC access systems at the Processing Time thereof, the Company will promptly notify the clearing organization and recipient User of such Offsetting Cleared Transaction Notice and its Processing Time. If a User Cleared Transaction Notice is submitted on a cleared Restructuring Supplement Transaction for which the Matching Information provided by the clearing organization is insufficient to enable the Company to match the cleared Restructuring Supplement Transactions, the submission will be rejected. The Company will notify in the manner determined by the Company both the User who submitted the Restructuring Credit Event Notice and the relevant clearing organization in case of such rejection. Outside Credit Event Records will not be accepted for cleared Restructuring Supplement Transactions. The Company will have no responsibility or liability for the Matching Information (or lack thereof) provided by a clearing organization or the consequences to a User of any Offsetting Cleared Transaction Notices generated or not generated as a result thereof, provided that this provision shall not prejudice the rights and obligations of Users and clearing organizations as against each other. Without limiting the foregoing, the Company will have no liability to any person in respect of any failure to generate or provide an Offsetting Cleared Transaction Notice, except as provided in the “Important Legal Information” section of these Operating Procedures.

For the avoidance of doubt, except as expressly provided herein, no provision of this subsection G shall have the effect of amending the legal terms of the relevant Restructuring Supplement Transaction.

VI. PROCESSING FOR LOAN EARLY TERMINATION EVENTS

The following provisions shall apply to each Warehouse Transaction that is an index credit default swap (tranching or untranching) relating to a series of the LCDX index, iTraxx LevX index

or other loan credit default swap index as determined to be eligible from time to time by the Company (a “Loan Index Warehouse Transaction”). On or after the date determined by the Company and subject to the provisions herein and in any Applicable Publications, the Company will make appropriate adjustments to the Warehouse Records for Loan Index Warehouse Transactions that have a status of “Certain” in the TIW to reflect the occurrence of a Loan Early Termination Event and calculate any related payments on the basis of such adjustments, in each case in accordance with the terms of the applicable published standard terms supplements for such transactions (the “Standard Terms Supplements”) and these Operating Procedures. In making any such adjustments and calculations, the Company will rely on information published by the Applicable Publisher as to the occurrence of a Loan Early Termination Event. The Company takes no responsibility for information published by the Applicable Publisher and will not make any independent determination or evaluation with respect thereto. Such adjustments will constitute Non-Confirmable Modifications for purposes of this Appendix. Accordingly, each User will be deemed to agree that the Company will make such adjustments and calculations with respect to its Loan Index Warehouse Transactions without any action or confirmation by such User. As used herein, (i) a “Loan Early Termination Event” means with respect to a transaction relating to a series of (a) an LCDX index, a Secured List Early Termination Event, (b) an iTraxx LevX index, the occurrence of the Scheduled Termination Date for a Component Transaction in accordance with the applicable Standard Terms Supplement as a result of a Cancellation, or (c) another loan credit default swap index, the occurrence of a similar event as designated by the Company; and (ii) “Applicable Publisher” means with respect to a transaction relating to a series of (a) an LCDX index, the Secured List Publisher, (b) an iTraxx LevX index, the Index Publisher or (c) another loan index credit default swap, the applicable publisher as determined by the Company. Capitalized terms used in this section VI but not defined in these Operating Procedures shall have the meanings set forth in the applicable Standard Terms Supplement.

VII. SUCCESSOR EVENT PROCESSING

On or after the date determined by the Company and subject to the provisions herein and in any Applicable Publications, the Company will provide a facility for Users to submit adherence notices or messages (each, a “Successor Adherence Message”) with respect to Successor Events Succession Events (for purposes of the 2003 Definitions) or events giving rise to a Successor and a Succession Date (for purposes of the 2014 Definitions) (collectively, “successor events”) related to specified categories of Warehouse Transactions that are credit derivative transactions, with the effect set forth herein.

Unless otherwise determined by the Company, the Successor Adherence Message function will not be available with respect to a successor event for a particular reference entity unless the Company has specifically activated the function for that event. The Company will activate the Successor Adherence Message function for a successor event (a “Succession Activation Event”) (i) in the case of Auction Supplement Transactions, upon receipt by the Company of a statement or notice from ISDA or the relevant Credit Derivatives Determinations Committee (as defined in the Auction Supplement) of the determination that a successor event has occurred; or (ii) in the case of other transactions, (a) upon receipt of a written request to do so by one or more members of the Company’s senior operations working group (or any successor to such group), which request must be in accordance with procedures for that purpose established by the Company, (b) upon receipt of a published statement from a widely recognized industry group or index publisher or

service provider for the relevant product indicating that a successor event has occurred or (c) as otherwise determined by the Company. Such request or statement must provide, among other requirements established by the Company, (i) that a successor event has occurred with respect to a reference entity (the “Old Reference Entity”), (ii) the nature of the successor event (i.e., whether the event constitutes the renaming of the reference entity or a reorganization or similar event with respect to the reference entity), (iii) the effective date of such successor event (or, in the case of a future event, the expected effective date), (iv) the name(s) and, where applicable, RED code(s) of the reference entity or entities resulting from such event (the “New Reference Entities”), which may include the Old Reference Entity and, where applicable, the ISIN codes for the reference obligation(s) for each New Reference Entity and (v) the applicable percentage of existing credit default swap transactions to be represented by each New Reference Entity (the “New Reference Entity Percentage”), with the sum of the New Reference Entity Percentages for all New Reference Entities equaling 100% (collectively, the “Successor Event Information”). The Company, through an Important Notice, will inform all Users that a Succession Activation Event has occurred and of the details of the Successor Event Information. Prior to such action, the System will not accept Successor Adherence Messages for a particular successor event. The Company may determine that a Succession Activation Event will apply to only certain categories of Warehouse Transactions (e.g., only single-name credit default swaps as opposed to index credit default swaps). The Company may, by subsequent Important Notice prior to the Processing Cut-Off Time (as defined below), make any necessary corrections or updates to the Successor Event Information.

The occurrence of a Succession Activation Event for a successor event for a reference entity shall not be deemed to be a determination or representation by the Company that any successor event (however named) has or has not occurred with respect to that reference entity under any applicable Master Document or the Credit Derivatives Definitions or as to the consequences thereunder of any such event and shall not be deemed to affect the determination by the parties or others under the terms of any Warehouse Transaction as to whether such an event has or has not occurred or as to the consequences of any such event. The Company will have no responsibility or liability for the accuracy of any information set forth in any notice delivered by members of the Company’s senior operations working group (or any successor to such group) related to such Succession Activation Event (including, without limitation, as to the Successor Event Information) or in any published statement from an industry group, index publisher, service provider or determinations committee. Without limiting the foregoing, the Company will have no responsibility for determining whether any relevant successor event occurred prior to any Successor Event Backstop Date for a Warehouse Transaction.

The Company, through Important Notice or through Applicable Publications, will specify the information that Users will be required to provide in order to submit a valid Successor Adherence Message and the manner in which such messages are to be submitted (including whether such messages may be in electronic or other written form). Users may submit a global Successor Adherence Messages with respect to all Warehouse Transactions of the relevant type related to the applicable reference entity and/or may submit Successor Adherence Messages with respect to individual Warehouse Transactions. In the case of a global Successor Adherence Message, the Company will deem the Successor Adherence Message to apply to each Warehouse Transaction of the relevant type related to the applicable reference entity as determined in accordance with the specified RED code (or similar code) for that entity. A User that has submitted

a global Successor Adherence Message may revoke such global message such that it will not apply to any relevant Warehouse Transactions added to the TIW after such revocation. In addition, a User that has submitted a Successor Adherence Message with respect to a particular Warehouse Transaction (either by a global message or individually) may revoke such message with respect to that Warehouse Transaction at any time prior to the Processing Cut-Off Time. Notwithstanding anything to the contrary herein, unless otherwise determined by the Company, in the case of a Succession Activation Event occurring on or following June 20, 2009, each User party to an Auction Supplement Transaction related to the applicable reference entity will automatically be deemed by the Company to have submitted a Successor Adherence Message with respect to such transaction (and references herein to “submission” of a Successor Adherence Message shall include any such deemed submission); provided that such User may revoke such Successor Adherence Message for such transaction at any time prior to the Processing Cut-Off Time.

Submission of a valid Successor Adherence Message by both Users party to a Warehouse Transaction, where such message has not been revoked by either User for such Warehouse Transaction as of a certain cut-off date and time established by the Company for the relevant Succession Activation Event (the “Processing Cut-Off Time”), will serve as an instruction by such Users to the Company simultaneously to (i) “exit” such Warehouse Transaction (the “Old Warehouse Transaction”) from the TIW and (ii) create in the TIW a number of new Warehouse Transactions (“New Warehouse Transactions”) equal to the number of New Reference Entities, as follows. Each of the New Reference Entities shall be the reference entity under one of the New Warehouse Transactions, and each New Warehouse Transaction shall have a notional amount equal to the notional amount of the Old Warehouse Transaction multiplied by the New Reference Entity Percentage for the relevant New Reference Entity. In all other respects, each New Warehouse Transaction shall have terms identical to the Old Warehouse Transaction (with (i) appropriate adjustments to the first calculation period and first payment date to maintain consistency with the calculation periods under the Old Warehouse Transaction and (ii) the changes to the ISIN code for the reference obligation set forth in the Successor Event Information). The Company shall perform such actions (collectively, the “Successor Event Processing”) at the time specified by the Company following the Processing Cut-off Time. Notwithstanding the foregoing, the Company will only perform Successor Event Processing for a Warehouse Transaction if the Warehouse Transaction has a status of “Certain” in the TIW as of the Processing Cut-Off Time and has a positive notional amount. The Company will perform the Successor Event Processing solely on the basis of the Successor Event Information, notwithstanding anything to the contrary in any applicable Master Document or other documentation for a Warehouse Transaction.

Failure by Users to instruct that Successor Event Processing apply to a Warehouse Transaction or of the other conditions above to be satisfied shall not be deemed to affect the Users’ legal obligations with respect to that transaction or to indicate that a successor event (however defined) thereunder has or has not occurred. Rather, the result of such failure will be that the Company will not conduct Successor Event Processing for that Warehouse Transaction. The Company is not responsible for the consequences of any such failure, and the Users party to such Warehouse Transaction are responsible for “exiting” the Warehouse Transaction following any such successor event and/or making any necessary amendments to reflect such event. In addition, failure to instruct that Successor Event Processing apply shall not affect the validity of any determination by a calculation agent, determinations committee, party to such transaction or other relevant person with respect to any such event.

VIII. TRADING VOLUME DATA GUIDELINES

Each User hereby agrees and consents to the Company's performing the responsibilities and functions assigned to it under the Credit Derivatives Determinations Committees Rules set out in Annex A to the Auction Supplement (the "DC Rules") and the Trading Volume Data Guidelines as published from time to time by ISDA (the "Guidelines"). Without limiting the foregoing, each User identified on a list of eligible institutions provided by ISDA to the Company pursuant to the DC Rules and the Guidelines agrees and consents to the Company's determining the Global Notional Amount or Regional Notional Amount for that User and/or its affiliates and notifying ISDA of its identity, if applicable, based on its position in the Global Dealer Trading Volume List or Regional Dealer Trading Volume List and the number of institutions specified by ISDA to be selected.

In addition, with respect to Restructuring Supplement Transactions in respect of which a restructuring credit event has occurred, each User hereby agrees and consents to the Company's providing certain additional information to ISDA or the applicable DC, including (i) an initial indication of the potential notional volume of Warehouse Transactions in each applicable Maturity Bucket that could be triggered as a result of such event and (ii) on a daily basis up to the applicable exercise deadline, the notional volume for each Maturity Bucket of Restructuring Supplement Transactions for which a Restructuring Credit Event Notice or Outside Credit Event Notice was submitted to the System on such date and the number of dealers whose trades are included in such daily notional volume.

IX. NOVATION CONSENT AND CONFIRMATION PROCEDURES

Notwithstanding anything to the contrary herein, the Company will process novations of confirmed Warehouse Transactions that were originated by one or more novation consent services or platforms as may be authorized by the Company from time to time by Important Notice or Applicable Publications ("Novation Consent Platforms").

The Company will, upon request of a Novation Consent Platform in a form acceptable to the Company, provide the Novation Consent Platform access to the information contained in the Warehouse Record (including its current status) for a Warehouse Transaction. A Novation Consent Platform may submit to the Company a request, in a form acceptable to the Company, that the Company reserve all or a portion of the outstanding unreserved notional amount of a Warehouse Transaction (a "Notional Amount Reservation") pending submission of a Novation Confirmation (as defined below) with respect to such transaction.

The Company will reject a Notional Amount Reservation if there is insufficient notional available, if the Warehouse Record has a status of Uncertain because the transaction is not confirmed or is the subject of an unconfirmed amendment or exit, or for such other reason as may be specified in an Important Notice or Applicable Publications. Following receipt by the Company of a Notional Amount Reservation with respect to a specified notional amount of a Warehouse Transaction where such reservation is not rejected, (i) the Company will confirm such Notional Amount Reservation to the submitting Novation Consent Platform with a unique identifier for such reservation, (ii) while such Notional Amount Reservation is in effect the

Company will not accept a further Notional Amount Reservation with respect to such specified notional amount or a Novation Confirmation with respect to such specified notional amount that does not contain the Notional Amount Reservation identifier; and (iii) while such Notional Amount Reservation is in effect, the relevant Warehouse Record will have a status of Uncertain in the TIW. The Company will notify the Novation Consent Platform of any rejection of a Notional Amount Reservation, in a manner to be specified by the Company.

A submitting Novation Consent Platform may cancel a Notional Amount Reservation in the manner designated by the Company. A Notional Amount Reservation will automatically expire, if not previously cancelled or followed by a Novation Confirmation submission using its identifier, as of the applicable cutoff time adopted by the Company. In submitting or canceling a Notional Amount Reservation, a Novation Consent Platform will be deemed to be acting on behalf of the User that is the transferor of the relevant novation consent request for purposes of the Operating Procedures.

Notwithstanding anything to the contrary herein, upon the confirmation by a submission service that submitted a record to the TIW in DDRL of an agreed novation of a confirmed Warehouse Transaction that was affirmed and/or consented to by all relevant parties through a Novation Consent Platform (a “Novation Confirmation”) and acceptance of such Novation Confirmation by the TIW pursuant to the operating procedures thereof, the Company shall treat such novation for all purposes as having been confirmed by all parties to such novation, update the applicable Warehouse Records to reflect such novation, without the need for further confirmation or action by any party to such novation and release the related Notional Amount Reservation.

Each User that uses a Novation Consent Platform for purposes of the novation of a Warehouse Transaction will notify the Company, in the manner to be specified by the Company, of the identity of each Novation Consent Platform it uses. Each User hereby authorizes the Company to accept a Notional Amount Reservation with respect to its Warehouse Transactions from each Novation Consent Platform so identified, until the Company is notified to the contrary by such User in a manner to be specified by the Company.

X. BULK UPDATES TO IMPLEMENT THE ISDA 2014 CREDIT DERIVATIVES DEFINITIONS

Effective as of a date or dates specified by the Company by Importance Notice, the Company will modify each Warehouse Transaction between Adhering Users (as defined below) that is in effect as of September 12, 2014 and is a Protocol Covered Transaction (a “Covered 2014 Warehouse Transaction”) to reflect that it is to be governed by the ISDA 2014 Credit Derivatives Definitions (“Protocol Modifications”). The Company will effect such modifications of Covered 2014 Warehouse Transactions by a bulk update (a “Bulk Update Event”). For purposes hereof, an “Adhering User” will be a User that has adhered to the 2014 ISDA Credit Derivatives Definitions Protocol (the “Protocol”), as set forth in the list published by ISDA as of 12 p.m., New York time on September 12, 2014 (the “Warehouse Protocol Adherence Deadline”).

The Company will rely, without further investigation, on the list of parties adhering to the

Protocol as published by ISDA as of the Warehouse Protocol Adherence Deadline. If a User's DTCC Participant ID is not correctly specified on such list at such time or is not valid, the Company will not process any Protocol Modifications for that User using the Bulk Update Event processing. The Company is not responsible for the consequences of any such failure, and the Users party to Covered 2014 Warehouse Transactions impacted by the Bulk Update Event are responsible for reviewing the results of the Bulk Update Event or otherwise determining the scope of the Bulk Update Event. Users are advised to review the preliminary adherence list published by ISDA prior to the Warehouse Protocol Adherence Deadline to confirm that they are listed correctly, or not listed, as appropriate.

Accordingly and for the avoidance of doubt, if a User that has adhered to the Protocol subsequently revokes such adherence at any time prior to the Warehouse Protocol Adherence Deadline, the Company will not process Protocol Modifications for such User's Covered 2014 Warehouse Transactions in the Bulk Update Event. If a User revokes its adherence to the Protocol after the Warehouse Protocol Adherence Deadline, the Company will nonetheless treat such User as an Adhering User. The Company will not process Protocol Modifications for Users that adhere to the Protocol after the Warehouse Protocol Adherence Deadline.

The Company may cancel or postpone any planned Bulk Update Event if, in its judgment, it deems it advisable to do so.