

15 December 2005

## PRICING SUPPLEMENT

### **Magnolia Finance VI plc**

*(incorporated as a public limited liability company in Ireland)*

US\$5,000,000,000  
Programme for the issue of  
Limited Recourse Obligations

### **Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010**

Magnolia Finance VI plc (the “**Issuer**” or “**Magnolia**”) will issue on 12 October 2005 (the “**Issue Date**”) pursuant to its US\$5,000,000,000 Programme for the issuance of Limited Recourse Obligations (the “**Programme**”) on the terms set out in the Programme Memorandum (as defined below) dated 12 July 2005, as amended and supplemented by this Pricing Supplement, Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010 (the “**Notes**”).

The Notes constitute secured, limited recourse obligations of the Issuer. Payments in respect of the Notes are made solely from the assets securing such Notes (the “**Mortgaged Property**”) in accordance with the terms and conditions applicable to the Notes. If the net proceeds of the enforcement of the Mortgaged Property in respect of the Notes are not sufficient to satisfy in full all payments due at any time in respect of the Notes and, if applicable, due to the Counterparty (as defined below) in respect of the Credit Swap Transaction (as defined below) and the Rate Swap Transaction (as defined below), no other assets of the Issuer (including, for the avoidance of doubt, the Mortgaged Property) will be available to meet such shortfall and the claims of the Noteholders will be extinguished.

The Notes will be constituted by a constituting instrument dated the Issue Date between, *inter alios*, the Issuer, Credit Suisse, Cayman Islands Branch (the “**Counterparty**”) and HSBC Trustee (C.I.) Limited (the “**Trustee**”) (the “**Constituting Instrument**”) which incorporates, amends and supplements the Master Trust Terms set out in the Programme Memorandum, as amended and supplemented by the terms of this Pricing Supplement.

**Investing in the Notes involves certain risks. See the section of this Pricing Supplement entitled “Risk Factors” beginning on page 7 of this Pricing Supplement.**

Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for the Pricing Supplement to be approved. Application has been made to the Irish Stock Exchange Limited (the “**Irish Stock Exchange**”) to admit the Notes to the Official List and traded on its regulated market. There can be no assurance that any such listing will be obtained or maintained. This document constitutes a prospectus (the “**Prospectus**”) for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”).

### **Credit Suisse First Boston International**

This Pricing Supplement is dated 15 December 2005.

The Notes will be issued in bearer form and will be represented by a permanent global note (the “**Global Note**”) which will be deposited with HSBC Bank USA, National Association (the “**Global Note Custodian**”) on the Issue Date in accordance with the terms of a deposit and custody agreement dated the Issue Date between, *inter alios*, the Issuer, the Trustee, the Global Note Custodian HSBC Bank USA, National Association as depository (the “**Depository**”) (the “**Deposit and Custody Agreement**”). Upon deposit of the Global Note with the Global Note Custodian, the Depository will issue a global receipt representing beneficial interests in the Global Note (the “**Global Receipt**”) in fully registered form, without interest coupons or principal receipts attached, which will be deposited with, and registered in the name of Cede & Co. as nominee for The Depository Trust Company (“**DTC**”).

On the Issue Date, the Issuer will procure that the net proceeds of the issuance of the Notes will be paid into the Cash Account (as defined herein) of the Issuer, pending investment in Eligible Collateral Assets (as defined herein) pursuant to the Master Custody Terms (August 2005 Edition) (Reference MCTAug2005v1), as amended and supplemented by the Constituting Instrument.

The Notes reference, and are credit-linked to, part of a capital structure of a managed reference portfolio initially comprising 119 corporate reference entities with an aggregate notional amount of USD 2,666,666,667 (the “**Reference Portfolio**”). The Reference Portfolio is set out in the Annex to the section of this Pricing Supplement entitled “*Form of Confirmation of Credit Swap Transaction*”.

On the Issue Date, the Issuer will enter into a credit default swap transaction in respect of the Notes (the “**Credit Swap Transaction**”) with the Counterparty in accordance with the Master Charged Agreement Terms (August 2005 Edition - 1992 Master version) (Reference MCTAug2005v1) (the “**Master Charged Agreement Terms**”), as amended and supplemented by the Constituting Instrument and the confirmation evidencing such Credit Swap Transaction dated as of the Issue Date. Following the occurrence of a Credit Event (as defined herein) and the satisfaction of the Conditions to Settlement (as defined herein), the Issuer shall, provided that the Aggregate Loss Amount (as defined herein) exceeds the Subordination Amount (as defined herein) applicable to the Notes be required to pay a Cash Settlement Amount (as defined herein) to the Counterparty in accordance with the terms of the Credit Swap Transaction. The Outstanding Principal Amount (as defined herein) of the Notes will be reduced by an amount equal to the Cash Settlement Amount relating to the Notes without any repayment to the Noteholders (as defined below).

Repayments of principal in respect of the Notes will be made to the holders of the Notes (the “**Noteholders**”) on the Scheduled Maturity Date, except as provided in the master terms and conditions applicable to all Notes issued under the Programme, as set out in the Programme Memorandum (as defined below) (the “**Master Conditions**”), as amended and supplemented by terms of this Pricing Supplement.

Each Note will bear interest on its Outstanding Principal Amount as determined by Credit Suisse First Boston International in its capacity as determination agent (the “**Determination Agent**”), in its sole and absolute discretion, in accordance with the terms and conditions relating to interest payments applicable to the Notes, as more fully described in the section of this Pricing Supplement entitled “*Terms and Conditions*”. Interest will be payable quarterly in arrears in March, June, September and December of each year, commencing on 20 December 2005 (each, an “**Interest Payment Date**”).

The Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes.

The Notes will be rated by Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. or any successor to its credit ratings business ("**S&P**") and Moody's Investors Service Limited or any successor to its credit ratings business ("**Moody's**"). It is expected that on the Issue Date the Notes will be rated AAA by S&P and Aa1 by Moody's. The rating assigned by Moody's addresses the promise of receiving, from the time of a bankruptcy or insolvency of the Counterparty, the Collateral Assets and all proceeds and earnings therefrom and does not address any promise in excess thereof. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.

None of the Notes nor the Global Receipt have been or will be registered under the U.S Securities Act of 1933, as amended (the "**Securities Act**") or any securities law of any state of the United States and the Issuer is not, nor will it be, registered under the United States Investment Company Act of 1940, as amended (the "**1940 Act**"). The Notes and the Global Receipt may only be offered, sold or otherwise transferred within the United States to, qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act who are also qualified purchasers ("**Qualified Purchasers**") for the purposes of Section 3(c)(7) of the 1940 Act. Each purchaser of any Notes or interests in the Global Receipt offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements as set out herein and in the section of the Programme Memorandum entitled "*Subscription and Sale*".

This Pricing Supplement incorporates by reference the contents of the programme memorandum (the "**Programme Memorandum**") dated 12 July 2005 relating to Magnolia Finance VI plc and constitutes a prospectus for the purposes of the Prospective Directive and Article 25(1) of Commission Regulation No 809/2004 of 29 April 2004. This Pricing Supplement is supplemental to, and should be read in conjunction with, the Programme Memorandum and the Programme described therein. Save as provided below, the Issuer has taken all reasonable care to ensure that the information contained in this Pricing Supplement is true and accurate in all material respects and that in the context of the issue of the Notes and the Global Receipt, there are no other material facts which would make misleading any statement herein or in the Programme Memorandum.

The Issuer accepts responsibility for the information contained in this Pricing Supplement (save for the sections entitled:- "The Portfolio Manager" and "Information Relating to the Swap Counterparty") and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Pricing Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this Pricing Supplement at any time does not imply that any information contained herein is correct at any time subsequent to the date thereof.

The Notes are issued on the terms set out in this Pricing Supplement read together with the Programme Memorandum.

This Pricing Supplement does not constitute an offer of the Notes or the Global Receipt and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the Global Receipt or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes and the Global Receipt are subject to restrictions on transferability and resale and may not be transferred or resold except as set out in the section of this Pricing Supplement entitled "*Subscription and Sale*".

### **INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES**

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE CONDITIONS OF THE NOTES AND THE GLOBAL RECEIPT AND THE OFFERING THEREOF DESCRIBED HEREIN, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE NOTES NOR THE GLOBAL RECEIPT HAVE BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

### **AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Notes and the Global Receipt, the Issuer will be required to furnish, upon request of a holder of a Note, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained by any person during usual business hours free of charge at the office of the Trustee.

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## INVESTOR SUITABILITY

THE PURCHASE OF, OR INVESTMENT IN, CREDIT LINKED NOTES INVOLVES SUBSTANTIAL RISKS. EACH PROSPECTIVE INVESTOR IN THE NOTES SHOULD BE FAMILIAR WITH INSTRUMENTS HAVING CHARACTERISTICS SIMILAR TO SUCH NOTES AND SHOULD FULLY UNDERSTAND THE TERMS OF SUCH NOTES AND THE NATURE AND EXTENT OF HIS EXPOSURE TO RISK OF LOSS.

Before making an investment decision, prospective purchasers of, or investors in, the Notes should conduct such independent investigation and analysis regarding the Issuer, the Notes, each of the Reference Entities, each obligor in relation to the Charged Assets securing such Notes (including the Custodian), the Counterparty under the Charged Agreements and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in such Notes. As part of such independent investigation and analysis, prospective purchasers of, or investors in, the Notes should consider carefully all the information set out in this Pricing Supplement and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Pricing Supplement and the merits and risks of an investment in the Notes in the context of the investor's own financial, tax and regulatory circumstances and investment objectives.

In particular, investment in the Notes is only suitable for investors who:

- (1) are capable of bearing the economic risk of an investment in such Notes for the period up until the maturity date of such Notes;
- (2) are acquiring an interest in such Notes for their own account for investment purposes, and not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (3) recognise that it may not be possible to make any transfer of Notes for a substantial period of time, if at all.

The "Risk Factors" section of this Pricing Supplement contains a summary of the main risk factors involved in an investment in the Notes and your particular attention is drawn to that section.

Credit Suisse First Boston International, as Arranger of the issue of the Notes may, in its discretion, refuse to issue or sell any Notes to any prospective investor even though that investor considers that it satisfies the foregoing suitability standards.

Further, each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its original investment.

## RISK FACTORS

*The Notes are risky investments. The return on the Notes is linked to the credit of a portfolio of Reference Entities and you may lose some or all of the amount you invest in the Notes. Investing in the Notes is **not** equivalent to investing directly in a portfolio of the obligations of Reference Entities. The Mortgaged Property securing the Notes will be the only assets available to pay sums due on the Notes. You cannot claim against any other assets of Magnolia or against anyone else if these default or their value is insufficient to pay you your principal and interest in full, after the prior claims of the Trustee and the Counterparty. An investment in the Notes carries potentially substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. This section describes the most significant risks relating to the Notes. **We urge you to read and consider the following information about these risks, together with the other information in this Pricing Supplement, before investing in the Notes.***

**Noteholders may lose some or all of the amount that they invest in the Notes.**

If the Counterparty determines that a Credit Event has occurred with respect to any Reference Entities under the Credit Swap Transaction it has with Magnolia in respect of the Notes, the amount of principal you are entitled to be paid on redemption of the Notes will be reduced by an amount equal to any Cash Settlement Amount Magnolia is required to pay to the Counterparty under the Credit Swap Transaction in respect of each Reference Entity in relation to which that determination of a Credit Event having occurred is made. Investors should be aware that even though a “cushion” is provided by the Subordination Amount to absorb losses as a result of Credit Events in relation to any Reference Entities in the Reference Portfolio, this cushion may well be used up and exceeded by the aggregate losses and the redemption amount of your Notes may therefore be substantially less than the nominal amount of the Notes and could very well be zero. Moreover, the Subordination Amount may decrease or increase as a result of Substitutions, Short/Long Additions, Short/Long Removals, Automatic Removals or Cash Settlement Amounts in relation to Short Reference Entities (each, as more particularly described in the section herein headed “*Summary of the Portfolio Management Agreement*”). See also “*Risks Relating to Portfolio Management*” below). Any reduction in the principal amount of the Notes will affect the amount of interest you are entitled to receive, as the interest will be calculated on such principal amount as reduced from time to time. You may also have principal or interest payments suspended if at the time they fall due a Credit Event has occurred under the Credit Swap Transaction but the related Cash Settlement Amount payable by Magnolia as a result to the Counterparty has not been determined. You will not be compensated for any suspension in payment of principal or interest and the suspension could continue for a considerable period of time. There is no “principal protection,” “guaranteed interest” or limit on the amount of the reduction that may be made to the principal amount of your Notes. Accordingly, you will be exposed to the credit of each Reference Entity to the full extent of your investment in such Notes.

**In calculating the reduction in principal of the Notes, the Counterparty has sole discretion (within the criteria described in the confirmation relating to the Credit Swap Transaction) to select the Reference Obligations for valuation.**

If a Credit Event occurs with respect to a Reference Entity, the Counterparty will have sole discretion (within the criteria described in the confirmation relating to the Credit Swap Transaction) to select for valuation one or more obligations of that Reference Entity. In doing so, it is possible that the Counterparty may select an obligation which has a lower market value compared to other obligations of that Reference Entity. The effect of selecting a particular obligation for valuation is that (a) the cushion provided by the Subordination Amount may be eroded more quickly than would be the case if

different obligations had been selected; (b) you are exposed to the credit risk of all obligations of each Reference Entity not to any particular or specific obligations; and (c) this may cause a reduction in the principal amount of the Notes, or a greater reduction in the principal amount of the Notes, which might not have been the case if the Counterparty had selected a different obligation of the Reference Entity for valuation. The Counterparty will also have discretion (within the time period set out in the confirmation relating to the Credit Swap Transaction) to select the date on which the process for the valuation of the obligations of each Reference Entity starts. This also may have the effect of reducing the principal amount of the Notes by a greater amount.

**The Counterparty has sole discretion to determine that a Credit Event has occurred.**

The Counterparty has sole discretion to determine whether and when a Credit Event has occurred with respect to a Reference Entity. You may disagree with the Counterparty's determination that a Credit Event has occurred with respect to a Reference Entity, but you will nevertheless be bound by such determination under the terms of the Notes.

**Certain Credit Events, including, without limitation, a Restructuring Credit Event, may make an investment in the Notes riskier than a direct investment in a portfolio of the obligations of the Reference Entities.**

You will not have rights equivalent to those of a direct holder of obligations of the Reference Entities. For example, if a restructuring occurs with respect to a Reference Entity, a Noteholder, unlike a direct holder of that Reference Entity's obligations, will have no right to challenge or participate in any element of the restructuring. Consequently, an investment in the Notes may be riskier than a direct investment in the obligations of the Reference Entities.

**A Credit Event may occur even if the obligations of a Reference Entity are technically unenforceable or if performance is prevented by applicable law or exchange controls.**

There may be situations in which a Reference Entity has a legal defence against claims for non-performance of its obligations – for example, because of an error in the way the obligations have been worded, or because of the imposition of exchange controls. In such a case, the Reference Entity could use the legal defence to buy time in which to reach a settlement with its creditors and, possibly, avoid acceleration of its obligations. The Counterparty could, however, disregard the legal defence and declare a Credit Event immediately. This is another way in which an investment in the Notes may be riskier than a direct investment in the obligations of the Reference Entities.

**You will be exposed to the risk of default in relation to the Charged Assets securing the Notes.**

The Notes are secured on a specified pool of Charged Assets and other specified Mortgaged Property. Therefore you are exposed to the credit risk of the obligors of such Charged Assets (which include the Custodian to the extent that such Charged Assets include cash in the Cash Account) and the issuers of any Eligible Collateral Assets selected for inclusion in such Charged Assets. The Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes and accordingly are equally exposed to credit risk in relation to the Charged Assets.

**Your recourse for payment of principal and interest on the Notes is limited to the proceeds of realisation of the Charged Assets and other Mortgaged Property and your claims are subordinate to those of the Trustee for its expenses and**



**remuneration, those of the Counterparty under the Charged Agreements and the Portfolio Management Agreement and those of the Portfolio Manager under the Portfolio Management Agreement.**

If the security in respect of the Notes becomes enforceable, the Charged Assets and other Mortgaged Property securing the Notes will be sold or realised. Not only will there be a substantial delay involved but also your claims under such Notes will only be payable out of those proceeds of realisation once received after the expenses and remuneration of the Trustee have been satisfied and any amounts payable to the Counterparty under the Charged Agreements (which will include any early termination payment which the Counterparty is entitled to be paid on termination of such Charged Agreements) have been paid in full and any claims of the Portfolio Manager under the Portfolio Management Agreement have been satisfied. You may therefore not receive all the principal or interest you are due on your Notes but you cannot make any claim against Magnolia or any of its other assets or against any other person to recover any shortfall. You may therefore suffer a significant loss.

**Neither CSFBI nor any of its affiliates will make any market in the Notes. The Notes are also subject to transfer and selling restrictions.**

In the opinion of the Arranger, you should be willing and able, in the light of your circumstances and financial resources, to hold your Notes until maturity. Neither Credit Suisse First Boston International (“**CSFBI**”) nor any of its affiliates will make a market in any Notes or offer to buy or be required (or likely) to buy them back. Other dealers may make a secondary market for any Notes but, if such a secondary market develops, there can be no assurance in the opinion of the Arranger that it will continue or that it will be sufficiently liquid to allow you to resell your Notes. Therefore, in the opinion of the Arranger, if you need to sell your Notes prior to maturity, you may have to do so at a substantial discount from the initial price at which you purchased such Notes, and as a result you may suffer substantial losses.

The value of the Notes may move up or down between the date you purchase such Notes and the date of maturity. Therefore, in the event that you are able to sell your Notes in the secondary market during that time, you may sustain a significant loss. Factors that may influence the value of your Notes include:

- the creditworthiness of each of the Reference Entities;
- the value of the Charged Assets and the creditworthiness of the obligors of such Charged Assets (which will include the Custodian to the extent such Charged Assets comprise cash in the Cash Account and the issuers of any Eligible Collateral Assets (and of any bonds or other assets securing any Eligible Collateral Assets));
- economic, financial, political and regulatory or judicial events that affect financial markets generally;
- interest, foreign exchange and yield rates in the market;
- the time remaining to the maturity of your Notes; and
- the creditworthiness of Magnolia, the Counterparty (as Counterparty under the Charged Agreements), the Custodian, the Principal Paying Agent and the Paying Agent.

**Trading and other transactions by the Counterparty or its affiliates in the securities of any of the Reference Entities or any Charged Assets may adversely affect the value of your Notes.**

The Counterparty or one or more of its affiliates may hedge its obligations under any Credit Swap Transaction with Magnolia by entering into credit default swaps with respect to some or all Reference Entities or obligors of the Charged Assets, purchasing securities of the Reference Entities or obligors of the Charged Assets or options on the Reference Entities' or obligors of the Charged Assets' securities or executing other derivative instruments with returns linked to or related to changes in the value of such securities. These hedges may be adjusted by, among other things, executing or terminating credit default swaps, or purchasing or selling debt securities, options or other derivative instruments at any time and from time to time. Although they are not expected to, any of these hedging activities may adversely affect the price of any Reference Entity's or obligors of the Charged Assets' outstanding obligations and, therefore indirectly, the value of your Notes. It is possible that the Counterparty or one or more of its affiliates could receive substantial returns from these hedging activities while the value of your Notes may decline.

Further, CSFBI or one or more of its affiliates may also engage in trading in any Reference Entity's debt securities or those of the obligors of the Charged Assets and other investments relating to any Reference Entity's or obligors of the Charged Assets' debt securities on a regular basis as part of its general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could adversely affect the price of any Reference Entity's or obligors of the Charged Assets' outstanding obligations and, therefore, the value of your Notes. CSFBI or one or more of its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of any Reference Entity's or obligors of the Charged Assets' debt securities. By introducing competing products into the marketplace in this manner, CSFBI or one or more of its affiliates could adversely affect the value of your Notes.

**CSFBI's business activities may create conflicts of interest between it and you.**

CSFBI and one or more of its affiliates may, at present or in the future, engage in business with any of the Reference Entities or obligors of any Charged Assets, including making loans to or equity investments in a Reference Entity or an obligor of such Charged Assets and its competitors or providing them either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between its, or its affiliates', obligations and your interests as a Noteholder. Moreover, CSFBI or one or more of its affiliates may have published, and may in the future publish, research reports on any Reference Entity or an obligor of any Charged Assets. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the price of the Notes in the secondary market and, therefore, the value of your Notes.

It is possible that, in the course of these activities, CSFBI or its affiliates may be instrumental in events related to a Credit Event in relation to a Reference Entity.

**CSFBI and its affiliates have no affiliation with any of the Reference Entities or any obligor of any Charged Assets and are not responsible for any Reference Entity's public disclosure of information or the public disclosure of information by any obligor of a Charged Asset.**

CSFBI and its affiliates are not affiliated with any of the Reference Entities or obligors of any Charged Assets and have no ability to control or predict its actions, the public disclosure of its corporate actions or any other events or circumstances affecting any Reference Entity or obligor of any Charged Assets.

**None of the Reference Entities or obligors of any Charged Assets are involved in the offer of the Notes in any way and no Reference Entity or obligor of any Charged Assets has any obligation to consider your interests as a Noteholder in taking any corporate actions that might affect the value of your Notes. Any Reference Entity or obligor of any Charged Assets may, and is entitled to, take actions that will adversely affect the value of your Notes.**

Please note that the money you pay for your Notes is paid to Magnolia and not to any Reference Entity or obligor of the Charged Assets.

**CSFBI can postpone the Maturity Date or suspend the payment of interest or principal if a Credit Event, Potential Failure to Pay or Potential Credit Event occurs.**

If the Counterparty determines under the Credit Swap Transaction with Magnolia that, prior to the stated maturity date a Credit Event has occurred, such stated maturity date of the Notes will be postponed by the number of days necessary for the Counterparty to calculate the Cash Settlement Amount payable to it by Magnolia and any consequential reduction in principal amount of the Notes. This will also be the case if a "Potential Failure to Pay" occurs, in which event the stated maturity date will be postponed for a number of days until it becomes clear if an actual Failure to Pay has occurred and, if so, whether a Cash Settlement Amount will be payable (and its amount) under the Credit Swap Transaction.

CSFBI as Determination Agent may suspend payment of all or part of your principal or interest due in certain circumstances. You will not be compensated for any delay in payment.

**You have no rights in the obligations of each Reference Entity or any Charged Assets.**

As an owner of Notes, you will not have special voting rights or rights to receive distributions or any other rights that holders of obligations of any Reference Entity or of any obligor of the Charged Assets may have. Moreover, your Notes will be paid in cash, and you will have no right to receive delivery of any obligation of any Reference Entity or any Charged Assets.

You, as an investor in the Notes, should make your own investigation into each Reference Entity and each obligor of the Charged Assets.

This Pricing Supplement is not intended to and does not provide any financial or other information with respect to any Reference Entity or any obligor of any of the Charged Assets, or any financial or other risks relating to the business or operations of any Reference Entity or obligor of any of the Charged Assets in general, or to the obligations of any Reference Entity or obligor of any of the Charged Assets in particular.

Neither Magnolia nor CSFBI nor any of their respective affiliates assumes any responsibility for the adequacy or accuracy of any information about any Reference Entity or obligor of any of the Charged Assets contained in any of the Reference Entity's or obligors of any Charged Assets' publicly available filings.

## Call Event

The Notes are callable at the option of Magnolia (upon the instruction of the Counterparty under the Credit Swap Transaction) on each Interest Payment Date in the period commencing on, and including, the Interest Payment Date falling in September 2008 to, and including, the Interest Payment Date falling in June 2010. No premium will be payable in respect of such early call.

### **You may suffer a loss if there is an early redemption of the Notes.**

There are certain events of default and other mandatory events which may result in an early redemption of the Notes. In summary these are:

Notes Events of Default:

Default by Magnolia for fourteen days or more in making a payment due on the Notes;

Failure by Magnolia to perform or observe any other obligation in relation to the Notes within 30 days (or longer if the Trustee permits) after notice of failure is given by the Trustee to Magnolia; or

Certain bankruptcy and insolvency events.

These events will only trigger an early redemption if the Trustee exercises its discretion to redeem the Notes due or is told to do so by at least 20 per cent in principal amount of the Notes held by Noteholders in respect of the Notes or by an Extraordinary Resolution of Noteholders in respect of the Notes.

Notes Mandatory Redemption Events:

If the Charged Assets (i.e., cash in the Cash Account or the Eligible Collateral Assets from time to time) become due for repayment early by reason of an event of default or there is a payment default on any of them;

If Magnolia's obligations under the Notes become unenforceable or illegal;

If Magnolia would suffer certain tax events in relation to its income or a withholding on income such that it could not satisfy in full its payment obligations in relation to the Notes; or

If any Charged Agreement is terminated early for any reason (unless as a result of another mandatory redemption event applying).

In each of these cases the Charged Assets will be realised and the proceeds of sale, plus any amount payable to Magnolia on termination of the Charged Agreements **or minus** any amount payable by Magnolia on termination of the Charged Agreements will be applied to repay the Notes. In a case where the Trustee incurs enforcement expenses, those expenses and its unpaid remuneration will rank in priority to the claims of the holders of the Notes and if the Counterparty under the Charged Agreements is due to be paid an amount by Magnolia on early termination of the Charged Agreements the Counterparty will (other than in certain circumstances as more particularly described herein) rank in priority to the Noteholders for that amount. Because the Noteholders cannot claim against Magnolia or any of its assets (except for the assets securing the Notes) if they suffer a loss as a result – i.e., there is not enough left after prior claims have been paid out of the proceeds of realisation of the security - they will

have **no** claim against or recourse to Magnolia **or anyone else** for that loss and any claim they might otherwise have had will be extinguished.

### **You have additional credit risks in relation to a merger or consolidation of a Reference Entity**

If a Reference Entity consolidates or amalgamates with another entity or is split up, that Reference Entity may be replaced by one or more Successor(s) in accordance with certain procedures set out in the written confirmation for the Credit Swap Transaction. No notice of any replacement will be given to you unless a “Successor” cannot be determined in accordance with the procedures, in which case CSFBi as Calculation Agent under the Credit Swap Transaction is entitled to determine a replacement Reference Entity in its sole and absolute discretion and notice of such replacement Reference Entity will be given to you.

### **No provision of information in relation to the Reference Entities or any Obligor of any Charged Assets**

Neither Magnolia nor CSFBi nor any of their respective affiliates (i) has provided or will provide prospective investors with any information or advice with respect to any Reference Entity, any Eligible Collateral Assets or their obligor(s) or itself or the Custodian or (ii) makes any representation as to the credit quality of any Reference Entity, the Eligible Collateral Assets or itself or their obligor(s) or the Custodian. Further, Magnolia and any of CSFBi, the Counterparty or any of their respective affiliates may have acquired, or during the term of the Notes may acquire, non-public information with respect to any Reference Entity or the Eligible Collateral Assets or their obligor(s) or the Custodian which will not be disclosed to you.

### **You will assume all Taxation Risk if you buy any Notes**

You are solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to you in respect of the Notes. Magnolia will not pay any additional amounts to you to reimburse you for any tax, assessment or charge required to be withheld or deducted from payments in respect of your Notes. Your Notes may redeem early if certain tax events occur and you may suffer a significant loss as a result.

### **Legality of Purchase**

None of Magnolia, CSFBi, the Counterparty or their respective affiliates or any other person has any responsibility for the lawfulness of your prospective acquisition of any Notes under any laws of any jurisdiction or country or the compliance by you with any law, regulation or regulatory policy applicable to you. A prospective purchaser of any Notes may not rely on Magnolia, CSFBi or any of its affiliates in connection with its determination as to the legality of its acquisition of such Notes or as to the other matters referred to above.

### **The Counterparty under each Charged Agreement as arm’s-length contractual counterparty**

The Counterparty under each Charged Agreement is merely an arm’s-length contractual counterparty to Magnolia and is not its financial adviser or fiduciary and owes no obligations to you. The Counterparty may transfer its rights and obligations under each Charged Agreement in certain circumstances to another entity.

## **Risks relating to Portfolio Management**

The Portfolio Manager is authorised pursuant to the Portfolio Management Agreement to undertake certain management activities on behalf of the Issuer in relation to the Reference Portfolio. Such activities may result in losses of principal and/or interest in respect of the Notes. Whilst the Portfolio Manager is required to provide its services in accordance with the standard of care specified in the Portfolio Management Agreement there can be no assurance that such services will ultimately lead to higher returns to Noteholders and may lead to lower returns to Noteholders. Under the Portfolio Management Agreement no indemnity is given by the Portfolio Manager to the Issuer for any losses arising out of the performance by the Portfolio Manager of its duties under the Portfolio Management Agreement and, accordingly, Noteholders will not have any such right of indemnity either directly or indirectly through the Issuer against the Portfolio Manager.

The performance of the Notes is highly dependent on the expertise of the Portfolio Manager. The loss of one or more of the individuals employed by the Portfolio Manager to manage the Portfolio could have a significant adverse effect on the performance of the Notes. Under the Portfolio Management Agreement, the Portfolio Manager is exempted from liability arising out of or in connection with the performance of its duties under the Portfolio Management Agreement, except by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, gross negligence or reckless disregard of its duties under the Portfolio Management Agreement.

In relation to trading the Reference Portfolio, Noteholders should be aware that following Substitutions, Short/Long Additions, Short/Long Removals or Automatic Removals, the Subordination Amount may decrease to reflect trading losses or increase to reflect trading gains.

RCM Capital Management LLC (“**RCM Capital**”) has been engaged to verify compliance with certain trading criteria. It is a condition of the rating of the Notes by Moody’s that no trading shall take place in relation to the Reference Portfolio until Moody’s has confirmed that the use of RCM Capital in such capacity will not adversely affect or cause the withdrawal of the rating of the Notes. No assurance can be given that such confirmation will be given.

## **Certain Conflicts of Interest**

Various potential and actual conflicts of interest may arise from the overall activities of the Portfolio Manager or its affiliates. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such potential conflicts.

The Portfolio Manager operates diversified global investment management businesses. As a result, the Portfolio Manager and its affiliates may invest and/or deal, for its own account or for accounts for which it has investment discretion, in securities or in obligations of Reference Entities or obligors of the Charged Assets or in credit default swaps (whether as protection buyer or seller) or other instruments relating to such other securities or obligations. Such investments and/or credit default swaps may be the same as or different from those made on behalf of the Issuer. The Portfolio Manager and its affiliates may be lenders to, and may have other ongoing relationships with, the Reference Entities or obligors of the Charged Assets or any other entities to which the Reference Portfolio is linked. In addition, affiliates and clients of the Portfolio Manager may invest and/or deal in securities (or make loans or have other rights) that are senior to, or have interests different from or adverse to the Reference Entities or obligors of the Charged Assets or any other entities to which the Reference Portfolio is linked. The Portfolio Manager may at certain times be seeking to purchase or sell

investments and/or protection under credit default swaps or other instruments enabling credit and/or other risks to be traded for any entity for which it serves as manager in the future, or its clients or affiliates simultaneously with the Portfolio Manager seeking to purchase credit protection on behalf of the Issuer.

Various potential and actual conflicts of interest may arise from the overall activities of the Portfolio Manager and its affiliates. No provision in the Portfolio Management Agreement prevents the Portfolio Manager or any of its affiliates from rendering services of any kind to or investing or dealing in obligations of or credit or other risks in respect of any Reference Entities or obligors of the Charged Assets or any other entities to which the Reference Portfolio is linked or any affiliates of the entities described above or the Trustee, the Noteholders, the Counterparty or any other person or entity. Without prejudice to the generality of the foregoing, the Portfolio Manager, its affiliates and the directors, officers, employees and agents of the Portfolio Manager and its affiliates may, among other things (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any Reference Entities or obligors of the Charged Assets or any other entity to which the Reference Portfolio is linked, (b) receive fees for services rendered to any Reference Entities or obligors of the Charged Assets or any other entity to which the Reference Portfolio is linked, (c) be a secured or unsecured creditor of, or hold an equity interest in any obligor in respect of, the Reference Entities or obligors of the Charged Assets or any other entity to which the Reference Portfolio is linked, (d) invest for its own account or for the account of others in any Reference Entities or obligors of the Collateral Assets or any other entity to which the Reference Portfolio is linked or (e) serve as a member of any "creditors' board" with respect to any Reference Entities or obligors of the Charged Assets or any other entity to which the Reference Portfolio is linked which, in each case, has defaulted.

The Portfolio Manager and its affiliates currently provide and will continue in the future to provide advisory and other services to clients who may include issuers of securities with the same sponsor as any Reference Entities or obligors of the Charged Assets or any other entity to which the Reference Portfolio is linked or any affiliate of the entities described above. The Portfolio Manager in the course of managing and administering the Reference Portfolio may consider their relationships with other clients and its affiliates in priority to the interests of the Issuer and the Noteholders. The Portfolio Manager may decline to make a particular investment for the Issuer in view of such relationships. In providing services to other clients, the Portfolio Manager and its affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer or the Noteholders. In connection with the foregoing activities, the Portfolio Manager and its affiliates may from time to time come into possession of information that limits the ability of the Portfolio Manager to make a decision with respect to the Reference Portfolio on behalf of the Issuer, and the quality of the Reference Portfolio may be constrained as a consequence of the Portfolio Manager's inability to use such information for investment management or investment advisory purposes or otherwise to take actions that would be in the best interests of the Issuer and the Noteholders.

The Portfolio Manager and any of its affiliates may engage in any other business and furnish investment management, advisory and administrative services to others which may include, without limitation, serving as collateral or portfolio manager for, investing in, lending to or being affiliated with other entities organised to issue credit-linked notes, synthetic collateralised debt obligations or collateralised debt obligations secured by debt obligations and other trusts and pooled investments vehicles that acquire interests in, provide financing to or otherwise deal with high yield or other securities issued by corporate issuers. The Portfolio Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself

or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Portfolio Manager may furnish investment management and advisory services to others who may have investment policies similar to those followed by the Portfolio Manager with respect to the Issuer and who may hold portfolios of the same class, or which are the same type as, the Reference Portfolio.

### **Withholding Tax Risk and Limited Availability of Definitive Notes**

Holders of beneficial interests in Notes should be aware that, under current Irish tax law, upon the issuance to such holders of Definitive Notes, payments of interest to such holders of Definitive Notes in registered (and not bearer) form, will become subject to Irish withholding tax (currently at the rate of 20 per cent.) to be withheld on any payments of interest on the Notes. However, if a holder of Definitive Notes is a person who is resident for tax purposes (as a matter of the relevant foreign law) in an EU Member State (excluding Ireland) or a country with which Ireland has entered into a double tax treaty, then payments of interest on the Definitive Notes may be made without withholding tax unless the recipient is a company that carries on a trade or business in Ireland through a branch or agency and receives the interest in connection with such trade or business. The Issuer may require holders of Definitive Notes to provide evidence of their status in order to avail of this exemption from Irish interest withholding tax in respect of payments of interest on the Definitive Notes. The Issuer is not obligated to pay any additional amounts to compensate holders for any withholding taxes.

As a result of the foregoing, the Issuer will not make Definitive Notes available to holders other than in limited circumstances. Those circumstances do not include where the transferee of an interest in the Global Note is required by law to take physical delivery of securities in definitive form or where the transferee is unable to pledge its interest in the Global Note other than by taking physical delivery of securities in definitive form.

### **Irish Insolvency Proceedings**

Magnolia is an Irish Company. The Irish Companies (Amendment) Act, 1990 (as amended) introduced the examinership procedure into Irish law. Examinership is a system of court protection for insolvent companies. The effect of the appointment of an examiner is to prohibit certain steps being taken except with the leave of the court against a company after the presentation of a petition of the appointment of an examiner. This prohibition continues if an examiner is appointed for so long as the examiner remains appointed (maximum period of one hundred days or such period as the High Court may determine). Prohibited steps include steps taken to enforce any security over the company's property, the commencement or continuation of proceedings or execution or other legal process or the levying of distress against the company or its property and the appointment of a receiver. Accordingly if an examiner is appointed to Magnolia the Trustee would be precluded from enforcing the security over any Mortgaged Property during the period of the examinership. Each Constituting Instrument provides that neither the Noteholders, nor the Trustee, the Counterparty nor any other party to it shall be entitled to petition or take any other step for the winding-up of Magnolia or the appointment of an examiner in respect of Magnolia.

### **Preferred Creditors under Irish law and Floating Charges**

Under Irish law, the claims of a limited category of preferential creditors will take priority over the claims of unsecured creditors and floating security in the event of the appointment of a liquidator or a receiver to an Irish company such as Magnolia. These preferred claims include taxes, such as income tax and corporation tax payable before



the date of appointment of the liquidator or receiver and arrears of value added tax, together with accrued interest thereon.

In addition, there is a further limited category of super preferential creditors which takes priority, not only over unsecured creditors and floating security, but also over fixed security. These super preferential claims include the remuneration, costs and expenses properly incurred by an examiner appointed to a company which has been approved by the Irish courts and any capital gains tax payable on the disposition of an asset of the company by a liquidator, receiver or mortgagee in possession.

It is of the essence of a fixed charge that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to Magnolia in relation to any Charged Assets or other Mortgaged Property, any charge constituted by or pursuant to the Constituting Instrument may operate as a floating charge rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Floating charges have certain weaknesses, including the following:

- (1) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (2) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (3) they rank after certain insolvency remuneration expenses and liabilities;
- (4) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (5) they rank after fixed charges.

If the security for the Notes were characterised as a floating charge those preferred claims would further reduce the amount available to the Noteholders to repay principal and interest on such Notes on an enforcement of the security.

### **Credit Ratings**

Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, credit ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial condition may be better or worse than a rating indicates.

### **Investment Company Act**

The Issuer has not been and will not be registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment company pursuant to the Investment Company Act. Section 3(c)(7) of the Investment Company Act ("**Section 3(c)(7)**") provides an exemption for investment companies organised under the laws of a jurisdiction other than the United States or any state thereof (a) whose investors resident in the United States are solely Qualified Purchasers or companies owned exclusively by "knowledgeable employees" (within the meaning given to such term in the Investment Company Act and the regulations of the SEC thereunder) or certain transferees thereof identified in Rule 3c-6 under the Investment Company Act and (b) which does not make a public offering of their securities in the United States.

## **IMPORTANT**

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SECTION, OR THE DOCUMENT AS A WHOLE, YOU SHOULD CONSULT YOUR FINANCIAL CONSULTANT, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

## **TERMS AND CONDITIONS**

### **Magnolia Finance VI plc**

#### **US\$5,000,000,000 Programme for the issue of Limited Recourse Obligations**

Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010 (the "**Notes**")

The following terms and conditions (including the Additional Provisions below) shall apply to the Notes (the "**Conditions**"). The Conditions shall complete, modify and amend the Master Conditions (August 2005 Edition) (Ref: MCAug2005v1) in the form signed for the purposes of identification by Credit Suisse First Boston International on 08 August 2005 and shall apply to the Notes as so completed, modified and amended. Unless the context otherwise requires, capitalised terms used and not otherwise defined in the Master Conditions referred to above as completed, modified and amended by the Conditions, shall have the meaning respectively ascribed to them in the Charged Agreements (as defined below). Reference is also made to the definitions set out in Additional Provision (P), below.

1. Issuer: Magnolia Finance VI plc.
2. (i) Series Number: 2005-2.  
(ii) Currency: USD.
3. Principal Amount: USD 60,000,000.
4. Issue Price: 100%.
5. Authorised Denominations: USD 250,000 and multiples of USD 1,000 in excess thereof.
6. Issue Date: 12 October 2005.
7. Maturity Date: The Maturity Date is the later of (a) 20 September 2010 (the "**Scheduled Maturity Date**"), (b) the Extended Maturity Date, (c) the Final Maturity Date and (d) the Collateral Legal

Maturity Date.

8. Charged Assets: Any assets comprising Eligible Collateral Assets acquired by the Issuer in accordance with Additional Provision (H) including any sums standing to the credit of the Cash Account from time to time and all rights, title and interest in and to such account (together, "**Collateral Assets**"). The Issuer intends to acquire USD 60,000,000 of USD 850,000,000 Floating Rate Class A (2005-8) Notes due 2012 issued by MBNA Credit Card Master Note Trust (CUSIP: 55264TDH1) (the "**Initial Collateral Assets**") on the Issue Date which shall comprise the Collateral Assets as of that date. For the avoidance of doubt, any Fixed Deposits in the Fixed Deposits Account shall not constitute Charged Assets (or Collateral Assets).
9. Charged Agreements: There are two Charged Agreements with respect to the Notes:
- (a) the International Swaps and Derivatives Association, Inc. 1992 form of Master Agreement (Multicurrency – Cross Border) (the "**ISDA Master Agreement**") and a schedule thereto which the Issuer and Credit Suisse, Cayman Islands Branch (the "**Counterparty**") have entered into by executing the Constituting Instrument applicable to the Notes, as supplemented by a confirmation of a credit default swap transaction dated the Issue Date and with an effective date of 25 August 2005 (the "**Credit Swap Transaction**"); and
  - (b) the ISDA Master Agreement and a schedule attached thereto which the Issuer and the Counterparty have entered into by executing the Constituting Instrument, as supplemented by a confirmation of a rate swap transaction dated, and with an effective date of, the Issue Date (the "**Rate Swap Transaction**").
10. Security: As set out in Condition 4(a). For the purposes of Condition 4(d), Counterparty Priority applies (subject as provided in Additional Provision (K) (2) and Additional Provision (L)).
- In addition, the obligations of the Issuer under the Notes and the Charged Agreements are secured by a fixed charge and an assignment by way of security over the Fixed Deposit Account and the Fixed Deposits (as defined in the confirmation relating to the Credit Swap

Transaction), all debts represented thereby and all sums derived therefrom. The Initial Fixed Deposit Amount (as defined in the confirmation relating to the Credit Swap Transaction) and any other sums deriving from Fixed Deposits shall be credited to the Fixed Deposit Account pending investment in accordance with the confirmation relating to the Credit Swap Transaction. For the avoidance of doubt, the Fixed Deposit Account and the Fixed Deposits are not Charged Assets in respect of the Notes and the proceeds comprising the Fixed Deposits Pool (as defined in the confirmation relating to the Credit Swap Transaction) may be applied only as provided in Additional Provision (K).

For the purposes of the Notes and the Trust Deed and notwithstanding Condition 4(d), Counterparty Priority and Noteholder Priority shall have the meanings given to them in Additional Provision (P).

Pursuant to the Constituting Instrument relating to the Notes, the Issuer has, with full title guarantee and as continuing security in favour of the Trustee as trustee for the Noteholders assigned all of the Issuer's rights, title, benefit and interest in, to and under the Portfolio Management Agreement, subject to the provisions of and in the order of priority set out in the Terms of the Notes.

- |     |                                    |   |
|-----|------------------------------------|---|
| 11. | Fixed Rate Note Provisions:        | Not applicable.   |
| 12. | Zero Coupon Note Provisions:       | Not applicable.   |
| 13. | Floating Rate Note Provisions:     | From the Issue Date until the Scheduled Maturity Date, the following Floating Rate Note Provisions shall apply in respect of the Notes: |
|     | (i) Interest Rate Basis:           | The Notes are Floating Rate Notes and Condition 6(c) applies, subject as provided in Additional Provisions (D), (E) and (F) below.      |
|     | (ii) Interest Commencement Date:   | 20 December 2005.   |
|     | (iii) Interest Rate Determination: | ISDA Determination.   |
|     | (iv) Floating Rate Option:         | The Floating Rate Option shall be:  |
|     |                                    | (i) with respect to the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the Issue     |

- Date, zero; and
- (ii) thereafter, USD-LIBOR-BBA.
- (v) Day Count Fraction: Actual/360.
- (vi) Designated Maturity: Three months, save that with respect to the period commencing on, and including, the Issue Date to, but excluding, 20 December 2005, a linear interpolation of two months and three months shall be used.
- (vii) Spread: 0.80 per cent. per annum.
- (viii) Interest Payment Dates: Each 20 March, 20 June, 20 September and 20 December of each year, commencing on 20 December 2005 and ending on the Scheduled Maturity Date, subject as provided in Additional Provisions (D) and (E)(1) below.
- (ix) Reset Date: The first day of each Interest Period.
- (x) Business Day Convention: Following Business Day Convention.
- (xi) Interest Calculation Agent: Credit Suisse First Boston International.
14. Variable Rate Note Provisions: Not Applicable.
15. Other Interest Provisions: If the Maturity Date falls after the Scheduled Maturity Date, the following Variable Coupon Amount Note Provisions shall apply in respect of the Notes from the Scheduled Maturity Date to the Maturity Date (and Conditions 6(a) to (g) shall not apply) and, on the Variable Coupon Payment Date, the Issuer shall pay in respect of each Note the Variable Coupon Amount as calculated below:
- (i) Variable Coupon Payment Date: The Maturity Date.
- (ii) Variable Coupon Amount: In respect of each Note, an amount equal to the aggregate of any non-principal payments received by or on behalf of the Issuer in respect of the Charged Assets and credited to the Cash Account during the period from and including the Scheduled Maturity Date to but excluding the Maturity Date (other than such amounts which are to be debited therefrom and paid to the Counterparty in accordance with the Rate Swap Transaction) multiplied by a fraction, the numerator of which is the Outstanding Principal Amount of such Note and the denominator of which is the Aggregate

Outstanding Principal Amount.

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|-----|---|------------|--|
| 16. | Scheduled Amount:                                 | Redemption | Condition 7(e)(1) applies, subject as provided in Additional Provision (A). For the purpose of Condition 7(e)(1), the outstanding principal amount of each Note (the “ <b>Outstanding Principal Amount</b> ”) shall be determined in accordance with the definition of “outstanding” in the Master Definitions (which are incorporated by reference into the Constituting Instrument) and, following the occurrence of a Cash Settlement Date, in accordance with Additional Provision (B) below.  |
| 17. | Notes issued in bearer or registered form:        |            | Bearer Notes. The Notes will be represented by a permanent global note without interest coupons (the “ <b>Global Note</b> ”) which will be deposited with the Global Note Custodian on the Issue Date. Upon deposit of the Global Note with the Global Note Custodian, the Depository will issue a global receipt representing beneficial interests in the Global Note (the “ <b>Global Receipt</b> ”) in fully registered form, without interest coupons or principal receipts attached, which will be deposited with, and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“ <b>DTC</b> ”). See “ <i>Form of the Notes and the Global Receipt</i> ”. |
| 18. | Whether Notes will be C Notes or D Notes:         |            | C Notes.   |
| 19. | Provisions for exchange of Temporary Global Note: |            | Not applicable.  |
| 20. | Provisions for exchange of Permanent Global Note: |            | Exchangeable for definitive Bearer Notes in the limited circumstances set out in the Master Conditions.  |
| 21. | Listing:  |            | Yes. Application will be made to list the Notes on the Irish Stock Exchange but the Notes are unlisted as at the Issue Date.   |
| 22. | Ratings:  |            | <p>The rating of the Notes by Standard &amp; Poor’s Ratings Service, a division of The McGraw-Hill Companies Inc. or any successor to its credit ratings business (“<b>S&amp;P</b>”) and Moody’s Investors Service Limited or any successor to its credit ratings business (“<b>Moody’s</b>”) as to timely payment of interest and ultimate payment of principal are AAA by S&amp;P and Aa1 by Moody’s.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.</p>   |

23. Business Days: London and New York.
24. Settlement Procedures: The Notes have been accepted for settlement in DTC.
25. CUSIP: 55960P AA 4.
26. Depository Account: The non-fungible securities account (including all sub-accounts) No. 982331 of the Global Note Custodian.
27. Global Note Custodian: HSBC Bank USA, National Association.
28. Principal Paying Agent: HSBC Bank USA, National Association.
29. Depository: HSBC Bank USA, National Association.
30. The Offering: The Notes and the Global Receipt will be offered within the United States to qualified institutional buyers (“**QIBs**”) in reliance on Rule 144A under the Securities Act who are also qualified purchasers (“**Qualified Purchasers**”) for the purpose of Section 3(c)(7) of the Investment Company Act.

By:

**Magnolia Finance VI plc**

## ADDITIONAL PROVISIONS

### (A) **Scheduled Redemption Amount on Scheduled Maturity Date or Extended Maturity Date; redemption on later Maturity Date**

- (1) Notwithstanding Condition 7(e)(1), the Scheduled Redemption Amount in respect of each Note on the Scheduled Maturity Date or the Extended Maturity Date shall be its Outstanding Principal Amount, provided however that the amount payable in respect of the Scheduled Redemption Amount of each Note on the Scheduled Maturity Date or, as the case may be, Extended Maturity Date shall, but only to the extent that all obligations due to the Counterparty in respect of the Credit Swap Transaction on or before such date have been satisfied in full, be in any event an amount equal to the lesser of (i) the Outstanding Principal Amount and (ii) the Issuer Principal Funds available in respect of the Notes on such date.
- (2) If, on the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date, any Collateral Assets remain outstanding or an event described in Additional Provision (E)(3) has occurred, each Note shall be redeemed (to the extent set out below in this paragraph (but otherwise subject to and in accordance with Additional Provisions A(1) and E(3))) on the Maturity Date falling after the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date and the principal amount payable in respect of each such Note on such date shall (subject as provided in Additional Provisions A(1) and E(3)), but only to the extent that all obligations due to the Counterparty on or before such date have been satisfied in full, be an amount equal to the lesser of (i) the Outstanding Principal Amount and (ii) the Issuer Principal Funds available in respect of the Notes on such date. To the extent that the Issuer Principal Funds available in respect of the Notes on the Maturity Date exceed the Outstanding Principal Amount on such date, the excess shall (but only to the extent that all obligations due to the Counterparty in respect of the Credit Swap Transaction on or before such date have been satisfied in full) be applied by the Issuer in or towards payment of any outstanding fees and expenses and, thereafter, may be retained by the Issuer for its own account.
- (3) The making of all payments due in accordance with this Additional Provision (A):
  - (a) redeems each Note in full; and
  - (b) discharges the obligations of the Issuer in respect of each Note,whether or not the Outstanding Principal Amount as at the Maturity Date is less than the Outstanding Principal Amount as at the Issue Date.

### (B) **Reduction of Principal Amount of the Notes following Credit Events**

As soon as reasonably practicable after the occurrence of an Event Determination Date in accordance with the Credit Swap Transaction (other than an Event Determination Date with respect to a Short Reference Entity), the Issuer or the Principal Paying Agent on its behalf shall give notice to the Trustee and the Noteholders in accordance with Condition 14 that such Event Determination Date has occurred, together with a copy of the related Credit Event Notice and Notice of Publicly Available Information.



The Outstanding Principal Amount of each Note shall be reduced with effect from the Event Determination Date by the amount of the Credit Loss Reduction. Following any such reduction, the Issuer's obligation to make repayment in respect of the Notes shall be discharged by paying such reduced amount, subject to and in accordance with Additional Provision (A).

The Issuer or the Principal Paying Agent on its behalf shall as soon as reasonably practicable after each Cash Settlement Date (other than a Cash Settlement Date with respect to a Short Reference Entity) give notice to the Trustee and the Noteholders in accordance with Condition 14 of (i) the Loss Amount, (ii) the Cash Settlement Amount (if any) arising on such Cash Settlement Date and (iii) the related Credit Loss Reduction (if any) and the Event Determination Date upon which such Credit Loss Reduction became effective.

Failure to give any of the notices referred to in this Additional Provision (B) shall not be an Event of Default in respect of the Notes and shall not affect the validity of any of the matters in respect of which any such notice is required to be given.

**(C) Mandatory Early Redemption on Reduction of the Outstanding Principal Amount of the Notes to Zero**

If at any time the Determination Agent determines that the Outstanding Principal Amount of the Notes has been reduced to zero (whether pursuant to these Additional Provisions or otherwise), the Issuer or the Principal Paying Agent on its behalf shall give to the Trustee and the Noteholders in accordance with Condition 14 at least 10 days' notice that the Notes are to be redeemed in accordance with this Additional Provision (C) on the date specified for this purpose in such notice. The Issuer shall redeem the Notes in full on such date by paying an amount equal to the accrued interest (if any) on the Notes and the Issuer's obligations with respect to the Notes are thereby discharged.

**(D) Determination of Calculation Amount**

The Calculation Amount with respect to each Note and an Interest Period is an amount determined by the Interest Calculation Agent equal to the product of (a) the daily arithmetic average of the excess (if any) of (i) minus (ii), subject to a minimum of zero and (b) the fraction the numerator of which is the Outstanding Principal Amount of such Note and the denominator of which is the Aggregate Outstanding Principal Amount, where:

(i) equals the initial Aggregate Outstanding Principal Amount; and

(ii) equals, on any date of determination, the sum of (a) all Cash Settlement Amounts that have become due and payable on or prior to such date and (b) an amount equal to all Pending Cash Settlement Amounts.

For the purposes of the above, a Pending Cash Settlement Amount will be included in the determination of (ii) above from, and including, the Event Determination Date with respect to the related Credit Event.

As used herein, "**Pending Cash Settlement Amount**" means, with respect to the Credit Swap Transaction and a Credit Event (other than a Credit Event with respect to a Short Reference Entity) for which the Conditions to Settlement have been satisfied but the related Cash Settlement Amount (i) has not yet

been determined or (ii) has been determined but is not yet due and payable (each such circumstance, an **“Unsettled Credit Event”**), the Cash Settlement Amount ultimately determined with respect to such Unsettled Credit Event.

(E) **Suspension of Payments in respect of Interest and/or Principal**

- (1) If on or before any Interest Payment Date falling on or before the Scheduled Maturity Date, the Interest Calculation Agent determines in good faith that the Calculation Amount for the relevant Interest Period cannot be determined as of such date (because, due to the occurrence of one or more Unsettled Credit Event(s), it is possible that the maximum resultant Cash Settlement Amount(s) may be in aggregate greater than zero), then a portion of the Interest Amount shall be payable on such Interest Payment Date in an amount calculated as if the Pending Cash Settlement Amount(s) were determined on the basis that the Final Average Price of the Reference Obligation(s) selected or to be selected by the Counterparty in relation to each Unsettled Credit Event was zero per cent. (0%). On the third Business Day following the date (the **“Suspension Period End Date”**) on which all Cash Settlement Amounts are determined and have become payable, the Issuer shall pay in respect of each Note the balance of the Interest Amount (if any) equal to the excess of (i) the Interest Amount which would have otherwise been payable on the Interest Payment Date over (ii) the portion of the Interest Amount actually paid on the relevant Interest Payment Date. No interest shall be payable on the unpaid balance of the Interest Amount during the period up to and including the third Business Day following the Suspension Period End Date.
- (2) If on or before any Call Date an Event Determination Date occurs under the Credit Swap Transaction in respect of one or more Reference Entities (other than a Short Reference Entity) but the related Cash Settlement Amount(s) cannot be determined as of such date (because, due to the occurrence of one or more Unsettled Credit Event(s), it is possible that the maximum resultant Cash Settlement Amount(s) may be in aggregate greater than zero), the Determination Agent may in its sole discretion determine that a portion of the Outstanding Principal Amount of each Note shall be payable on such Call Date in an amount calculated as if each Credit Loss Reduction had been determined on the basis that the Final Average Price of the Reference Obligation(s) selected or to be selected by the Counterparty in relation to each Unsettled Credit Event was zero per cent (0%). On the third Business Day following the relevant Suspension Period End Date, the Issuer shall pay in respect of each Note the balance of the Outstanding Principal Amount (if any) equal to the excess of (i) the Outstanding Principal Amount which would have otherwise been payable on the Call Date over (ii) the portion of the Outstanding Principal Amount actually paid on the Call Date.
- (3) If on or before the Scheduled Maturity Date or any Extended Maturity Date, an Event Determination Date occurs under the Credit Swap Transaction in respect of one or more Reference Entities but the related Cash Settlement Amount(s) cannot be determined as of such date (because, due to the occurrence of one or more Unsettled Credit Event(s), it is possible that the maximum resultant Cash Settlement Amount(s) may be in aggregate greater than zero), the Determination Agent may in its sole discretion determine that a portion of the Scheduled Redemption Amount of each Note (as determined in accordance with Additional Provision (A)) shall be payable on the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date in an amount equal to the greater of (a) the Scheduled Redemption Amount minus an amount equal to the aggregate Credit Loss Reduction(s) in relation to all Unsettled Credit Events as

determined on the basis that the Final Average Price of the Reference Obligation(s) selected or to be selected by the Counterparty in relation to each Unsettled Credit Event was zero per cent. (0%) and (b) zero, subject as provided in the next sentence.

Notwithstanding the foregoing, if as at the Scheduled Maturity Date or, as the case may be, Extended Maturity Date, any Collateral Assets comprising securities remain outstanding, the relevant portion of the Scheduled Redemption Amount (if greater than zero) payable on the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date pursuant to the foregoing provisions of this Additional Provision E(3) shall be further reduced to an amount equal to the greater of (a) the result of (i) the Issuer Principal Funds available on the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date in question *minus* (ii) an amount equal to the aggregate Credit Loss Reduction(s) in relation to all Unsettled Credit Events (as determined on the basis that the Final Price of the Reference Obligation(s) selected or to be selected by the Counterparty in relation to each Unsettled Credit Event was zero per cent. (0%) and (b) zero.

On the third Business Day following the Suspension Period End Date, the Issuer shall pay in respect of each Note, the balance of the Outstanding Principal Amount (if any) in respect of each such Note equal to the excess of (i) the Scheduled Redemption Amount which would otherwise have been payable on the Scheduled Maturity Date or, as the case may be, Extended Maturity Date over (ii) the portion of the Scheduled Redemption Amount actually paid on such Scheduled Maturity Date or, as the case may be, Extended Maturity Date except that, if on such date, any Collateral Assets remain outstanding, the provisions of Additional Provision A(2) shall apply.

- (4) On the Maturity Date falling after the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date the Issuer shall pay in respect of each such Note the amount due in accordance with Additional Provision (A)(2).

**(F) Extension Notice**

If on or before the Scheduled Maturity Date, the Determination Agent determines in its sole discretion that (a) a Potential Failure to Pay has occurred under the Credit Swap Transaction or (b) that a Potential Credit Event has or may have occurred under the Credit Swap Transaction and *provided* that in either case, as a result of either (a) or (b) the maximum resultant Cash Settlement Amount(s) may in aggregate be greater than zero, then the Determination Agent shall as soon as reasonably practicable thereafter send a notice to the Issuer, the Trustee and the Noteholders in accordance with Condition 14 setting out such determination and specifying that the Maturity Date of the Notes will not be the Scheduled Maturity Date but will be either (a) Extended Maturity Date or (b) such later date as is determined in accordance with Additional Provisions A(2) and (E)(3) above. The Scheduled Redemption Amount in respect of each Note on the Extended Maturity Date shall be determined in accordance with Additional Provision (A) (and, as provided in Additional Provision (A), will be subject to Additional Provision (E)(3) and dependent on whether the Collateral Legal Maturity Date falls before or after the Extended Maturity Date). The amount of interest scheduled to be paid on the Scheduled Maturity Date shall, subject to Additional Provision (E)(1), be payable notwithstanding the extension of the Maturity Date and, thereafter, interest shall be payable in accordance with item 15 above.

(G) **Issuer Call Option**

- (1) Condition 7(f)(2) is applicable, except as modified below, upon the receipt by the Issuer of notice (an “**Unwind Notice**”) from the Counterparty that the Credit Swap Transaction is to be terminated in whole (but not in part) in accordance with the confirmation relating to the Credit Swap Transaction. The Issuer Optional Redemption Amount for the purposes of Condition 7(f)(2) shall be the Outstanding Principal Amount. The Issuer’s option set out in Condition 7(f)(2) shall be deemed to have been exercised upon delivery of the Unwind Notice for settlement on the Call Date (as defined in the confirmation of the Credit Swap Transaction) and the Issuer or the Principal Paying Agent on its behalf shall be required to give to the Trustee and to the Noteholders in accordance with Condition 14 at least 20 Business Days’ notice of the date for redemption (which shall be the same date as the Call Date). Accordingly, the words “on giving not more than 60 nor less than 30 days’ notice to the Trustee and Noteholders in accordance with Condition 14, and” appearing in Condition 7(f)(2) shall not apply. However, failure by the Issuer or the Principal Paying Agent on its behalf to give notice of an early redemption in accordance with this Additional Provision (G) shall not affect the validity of any of the matters in respect of which such notice is required to be given.
- (2) If the Counterparty delivers an Unwind Notice pursuant to the terms of the Credit Swap Transaction, the Auction Agent shall, if any of the Charged Assets comprise securities, no later than the second Business Day following the date on which the Unwind Notice is delivered, request firm bid prices (as at or about a time selected by the Auction Agent in its discretion) from at least three dealers in securities of the type of the securities comprised in the Charged Assets concerned (as selected by the Auction Agent in its sole and absolute discretion) (which may include Credit Suisse First Boston or any of its Affiliates (as defined in the Charged Agreement)) to purchase such securities from the Custodian (on behalf of the Issuer) for settlement on a delivery versus payment basis on the date falling 3 Business Days after the date on which such bid prices are requested (the “**Proposed Settlement Date**”).
- (3) The Auction Agent shall determine the highest firm bid price obtained in accordance with paragraph (2) of this Additional Provision (G) (and if the highest firm bid price has been obtained from more than one dealer then the Auction Agent shall determine (in its sole and absolute discretion) which dealer’s firm bid price shall constitute the highest firm bid price for the purpose of paragraph (2) of this Additional Provision (G) and notify the Custodian and the Trustee of the same not later than the Business Day following the date on which such firm bid prices are obtained together with such details of the relevant dealer as the Custodian may reasonably require in order for the Custodian to sell the relevant securities to such dealer. If the Auction Agent receives only one firm bid price as a result of its request pursuant to paragraph (2) of this Additional Provision (G), such firm bid price shall be the highest firm bid price obtained. If the Auction Agent receives no firm bid price from any of the dealers requested

pursuant to paragraph (2) of this Additional Provision (G) on the date on which such firm bid price is requested, the exercise of the Issuer's option pursuant to Condition 7(f)(2) of the Notes shall be cancelled and such Issuer's option deemed not to have been exercised. The Auction Agent shall notify the Custodian, the Issuer, the Trustee, the Portfolio Manager, the Counterparty under the Charged Agreement and the Principal Paying Agent of such fact and the Issuer shall promptly cause the Principal Paying Agent to give notice to the Noteholders in accordance with Condition 14 of such fact and that accordingly the exercise of the Issuer's option pursuant to Condition 7(f)(2) of the Notes shall be cancelled and deemed never to have been exercised and that accordingly the Notes will not fall due for redemption on the Call Date in accordance with Condition 7(f)(2).

- (4) Notwithstanding any of the foregoing, the Auction Agent shall determine whether, based on the firm bid prices received by it pursuant to paragraphs (2) and (3) of this Additional Provision (G), the proceeds of sale of any relevant securities (net of any stamp duty or other costs and expenses incurred by or on behalf of the Issuer in connection with such sale), when aggregated with any other Charged Assets comprising cash which is or will be standing to the credit of the Cash Account or any other bank accounts comprised in the Charged Assets as at the Call Date (the "**Relevant Available Funds**") is or will be at least equal to the Aggregate Outstanding Principal Amount as at the Call Date. For such purpose, the Issuer shall procure that the Custodian gives the Auction Agent on request (provided always that the Auction Agent shall have given at least 2 Business Days' prior notice of such request) and in any event no later than 12:00 noon London time on the Business Day preceding the date on which the Auction Agent seeks firm bid prices pursuant to this Additional Provision (G) all such information as the Auction Agent may reasonably require in order to make such determination. In making such determination, the Auction Agent shall be entitled to rely on any information given by the Custodian to it as being correct and accurate and shall take into account in determining the Relevant Available Funds:
- (a) any amounts in respect of interest or other distributions in respect of any of the Charged Assets, the scheduled due date for payment of which to or for the account of the Issuer or the Trustee falls on or prior to the Call Date;
  - (b) any amounts which would fall due to be paid by or to the Issuer as a result of the early termination of the Charged Agreement in connection with the Unwind Notice delivered by the Counterparty pursuant to the terms of the Credit Swap Transaction; and
  - (c) any other amounts falling due and payable by one party to the other under the Credit Swap Transaction on or prior to the Call Date.

The Auction Agent shall determine the Relevant Available Funds and shall notify the Issuer, the Trustee, each Counterparty, the Principal Paying Agent and the Custodian of its determination

and if the Relevant Available Funds, as determined by the Auction Agent in accordance with this paragraph (4) of this Additional Provision (G) would be less than the Aggregate Outstanding Principal Amount as at the Call Date, then any securities comprised in the Charged Assets shall not be sold, the Unwind Notice shall be deemed never to have been given by the Counterparty under the Credit Swap Transaction and the Issuer's option set out in Condition 7(f)(2) of the Notes (as amended by the Constituting Instrument) shall be cancelled and be deemed never to have been exercised and the Issuer shall promptly cause the Principal Paying Agent to give notice of such fact to the Noteholders in accordance with Condition 14.

- (5) If the Auction Agent determines that the Relevant Available Funds are or will be at least equal to the Aggregate Outstanding Principal Amount as at the Call Date it will (a) agree (on behalf of the Issuer) with the dealer who provides the highest firm bid price to sell the relevant Charged Assets to such dealer and (b) confirm such fact to the Custodian at the same time as notifying the Custodian of the highest firm bid price together with details of the relevant dealer in accordance with paragraph (3) of this Additional Provision (G).
- (6) Pursuant to the Agency Agreement, the Issuer has irrevocably instructed and directed the Auction Agent (on behalf of the Issuer) to direct the Custodian to cancel the sale of any relevant securities comprised in the Charged Assets to the extent that such sale has not been effected after the expiry of 60 days following the Proposed Settlement Date by giving notice to the Custodian of such direction on behalf of the Issuer no later than open of business on the second Business Day prior to the expiry of such 60 day period.
- (7) Upon receipt of notification from the Auction Agent in accordance with paragraph (3) of this Additional Provision (G) of the highest firm bid price obtained in accordance with paragraph (2) of this Additional Provision (G) together with details of the relevant dealer and confirmation that the Relevant Available Funds as determined by the Auction Agent are or will be at least equal to the Aggregate Outstanding Principal Amount as at the Call Date), the Custodian shall sell the securities comprised in the Charged Assets to such dealer on the Proposed Settlement Date at such highest firm bid price (on a delivery versus payment basis and otherwise on the terms set out in this Additional Provision (G)) and procure that the proceeds of sale are credited to the Cash Account.
- (8) The Custodian has agreed with the Issuer, the Trustee and the Counterparty that it shall promptly provide all such information as the Auction Agent may reasonably request for the purposes of determining the Relevant Available Funds.
- (9) Any sale of any securities comprised in the Charged Assets pursuant to this Additional Provision (G) shall be made only on a delivery versus payment basis and otherwise on the terms set out in this Additional Provision (G). If for any reason such sale is

not effected on the Proposed Settlement Date, the Custodian will forthwith notify the Auction Agent of such fact (and the Auction Agent shall promptly forward a copy of such notice to the Issuer, the Trustee, the Principal Paying Agent and the Counterparty under each Charged Agreement) and, if such sale has not been effected and the full amount of the net proceeds of sale not received by the Custodian on behalf of the Issuer by no later than close of business in London on the second Business Day prior to the Call Date, the Custodian will forthwith notify the Auction Agent of such fact (and the Auction Agent shall promptly forward a copy of such notice to the Issuer, the Trustee, the Portfolio Manager, the Counterparty and the Principal Paying Agent), the Unwind Notice delivered by the Counterparty under the Credit Swap Transaction shall be deemed never to have been given and the Issuer's option in respect of the Notes pursuant to Condition 7(f)(2) shall be cancelled and shall be deemed never to have been exercised and the Issuer shall promptly cause the Principal Paying Agent to give notice of such fact to the Noteholders in accordance with Condition 14. For the avoidance of doubt, the Custodian shall continue to attempt to effect the sale of the relevant securities comprised in the Charged Assets notwithstanding that the exercise of the Issuer's option in Condition 7(f)(2) of the Notes shall have been deemed to be cancelled, provided that the Auction Agent shall (unless otherwise directed by the Issuer or the Trustee prior to such date) on behalf of the Issuer, give notice to the Custodian by no later than the close of business on the second Business Day prior to the expiry of the 60 day period referred to in Additional Provision (G)(6) above that the proposed sale of the relevant securities comprised in the Charged Assets should be forthwith cancelled by the Custodian to the extent that such sale has not been effected by such time. Upon receipt of such notice from the Auction Agent, the Custodian shall cancel such sale provided that each of the Custodian, the Auction Agent and the Issuer is reasonably satisfied that such cancellation would not result in any of them or the Trustee having any liability to the relevant dealer or any of its agents as a result of such cancellation.

Notwithstanding any of the foregoing provisions of this Additional Provision (G) the fact that the exercise of the Issuer's option pursuant to Condition 7(f)(2) may be cancelled or deemed to never have occurred will not prevent any future exercise of the Issuer's option pursuant to Condition 7(f)(2) following the giving of a further Unwind Notice by the Counterparty under the Credit Swap Transaction (which the Counterparty will be entitled to do under the Credit Swap Transaction).

To the extent that (i) the balance of the Cash Account as at the Call Date and the balance of any cash deposits comprised in the other Charged Assets is greater than (ii) the aggregate of the Outstanding Principal Amounts, the excess shall (but only to the extent that all obligations due to the Counterparty on or before such date have been satisfied in full) be applied by the Issuer in or towards payment of any outstanding fees and expenses relating to the Series and, thereafter, may be retained by the Issuer for its own account.

Condition 7(f)(2)(A) and Condition 7(f)(2)(B) are not applicable.  
Condition 7(f)(3) is not applicable.

**(H) Cash Account**

The Issuer shall procure that the net issue proceeds of the Notes shall be paid into a separate Cash Account pending investment in Eligible Collateral Assets. To the extent any such investment is made, upon receipt by the Issuer of any proceeds in respect of such Eligible Collateral Assets following their maturity or any amount (other than a Fixed Deposit) from the Counterparty under the Credit Swap Transaction, the Issuer shall pay or cause to be paid on its behalf such amounts to the Cash Account.

The Determination Agent may, at any time and from time to time, instruct the Custodian to use, and if so instructed the Custodian shall use, all or part of any amounts credited to any Cash Account towards the purchase on behalf of the Issuer of other Eligible Collateral Assets at prices and from counterparties all as selected by the Determination Agent in its sole and absolute discretion; provided always that the Issuer has received payment of the relevant Interim Exchange Amount II (as defined in the confirmation of the Rate Swap Transaction). For the avoidance of doubt, the Custodian shall not be responsible for establishing whether any such payment has been made to the Issuer. Any Eligible Collateral Assets so acquired will become part of the Charged Assets. The Determination Agent shall notify S&P and Moody's of any Eligible Collateral Assets so acquired as soon as reasonably practicable after the date they are acquired.

If the Maturity Date falls later than the Scheduled Maturity Date or the Extended Maturity Date, as applicable, then the Custodian shall credit all payments received in respect of those Charged Assets to the Cash Account pending application in accordance with the Conditions and the Charged Agreements.

**(I) Successor Reference Entities**

No notice of any Successor Reference Entity shall be required to be given to Noteholders unless, following a Succession Event, the Calculation Agent under the Credit Swap Transaction determines in its sole and absolute discretion that there is no Successor with respect to a Reference Entity, in which case the Issuer or the Principal Paying Agent on its behalf shall as soon as reasonably practicable after receipt of notice of the same from the Calculation Agent under the Credit Swap Transaction, give notice to the Trustee, the Portfolio Manager and the Noteholders in accordance with Condition 14 of the replacement Reference Entity determined by the Calculation Agent under the Credit Swap Transaction.

Failure to give such notice shall not be an Event of Default and shall not affect the validity of the matters in respect of which such notice is required to be given.

**(J) Amendment to Condition 7(b)(1) and 7(c)(A)(2)**

(a) Condition 7(b)(1) shall be deleted in its entirety and replaced with the following:

“(a) the Charged Assets or amounts outstanding thereunder become due and repayable prior to their stated date of maturity or other date or dates for their repayment or payment by reason of an event of default (howsoever described)



occurring thereunder and on the due date for redemption of such Charged Assets as so accelerated, the obligor of those Charged Assets does not pay all amounts of principal, interest or any other amounts outstanding and due and payable in respect of those Charged Assets on such date in full or (b) there is a payment default in respect of the Charged Assets; or”.

- (b) In the event that the Notes become due and payable pursuant to Condition 7(c)(A)(2), notwithstanding Conditions 4(c) and Condition 7(e), the Notes shall be redeemed (unless the Noteholders, by Extraordinary Resolution, elect otherwise) by delivery to each Noteholder of a *pro rata* share of the Charged Assets, provided that if any person has a higher ranking claim to that of the Noteholders in accordance with the Noteholder Priority which has not otherwise been satisfied out of any other cash or amounts available for such purpose, such claim(s) shall first be satisfied by delivery of an amount or, as the case may be, outstanding principal amount of Collateral Assets as near as practicable equal to such claim(s). In order to receive any such delivery, each Noteholder shall be required to provide the Custodian with delivery instructions which are satisfactory to the Custodian and Collateral Assets shall only be realised in accordance with Condition 4(c) to the extent that the Custodian reasonably determines that it is impossible or illegal for Collateral Assets to be so delivered.

**(K) Application of the Fixed Deposits Pool**

Prior to the enforcement of the security in respect of the Notes, the assets and proceeds comprising the Fixed Deposits Pool (as defined in the confirmation relating to the Credit Swap Transaction) shall be applied by the Issuer only as provided below and only (to the extent that more than one amount falls due to be paid from the assets and proceeds comprising the Fixed Deposits Pool on the same date) in the following order of priority but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of all amounts due and payable to the Counterparty pursuant to item (ii) of Fixed/Floating Amounts as set out in the confirmation relating to the Rate Swap Transaction and in or towards satisfaction of all amounts due and payable to the Counterparty in respect of any Fixed Deposit Delivery Amount or any Fixed Deposits Unwind Amount (each such term as defined in the confirmation relating to the Credit Swap Transaction);
- (b) *secondly*, in or towards satisfaction *pro rata* and *pari passu* of the part of the Interest Amount attributable to the Spread in respect of the Notes comprising the Spread Interest Amount (as defined in the confirmation relating to the Credit Swap Transaction) then due and payable pursuant to Condition 6 (as supplemented by item 13 above); and
- (c) *thirdly*, to retain the surplus (if any) with the Issuer (which may be reinvested in Eligible Fixed Deposits (as defined in the confirmation relating to the Credit Swap Transaction) subject to and in accordance with the confirmation relating to the Credit Swap Transaction), pending subsequent application thereof in accordance with this Additional Provision (K).

Upon enforcement of the security in respect of the Notes, the assets and proceeds comprising the Fixed Deposits Pool (as defined in the confirmation relating to the Credit Swap Transaction) shall (a) only be

applied towards satisfaction of all amounts due and payable to the Counterparty pursuant to the Credit Swap Transaction (including, without limitation, payment of the Fixed Deposits Unwind Amount) and (b) not be applied by the Issuer in meeting the claims (if any) of the Noteholders under item (b) of the Counterparty Priority or item (i) of the Noteholder Priority (if applicable) or in meeting the claims (if any) of the Counterparty under the Rate Swap Transaction other than claims (if any) of any Noteholders to any part of the Interest Amount attributable to the Spread in respect of the Notes comprising the Spread Interest Amount (as defined in the confirmation relating to the Credit Swap Transaction) which may be due but unpaid pursuant to Condition 6 (as supplemented by item 14 above) (and Condition 4(d) shall be construed accordingly).

(L) **Priority of Payments**

- (1) Notwithstanding the designation of Counterparty Priority, Noteholder Priority shall apply if the Notes have fallen due for redemption in accordance with Condition 7(c)(A)(2) following the termination of the Rate Swap Transaction or the Credit Swap Transaction as a result of the occurrence of an Event of Default (as defined in the Charged Agreements) with the Counterparty being the Defaulting Party (as defined in the Charged Agreements) or as a result of the occurrence of a Tax Event Upon Merger (as defined in the Charged Agreements) with the Counterparty to the Rate Swap Transaction being the Burdened Party (as defined in the Charged Agreements).
- (2) The Charged Agreement with respect to the Credit Swap Transaction provides that upon receipt by the Issuer (or by the Arranger on behalf of the Issuer) of written confirmation from Moody's at any time while the Notes are outstanding that the then current rating of the Notes would not be adversely affected thereby or withdrawn, with effect from and including the date of receipt of such written confirmation, no Event of Default or Tax Event Upon Merger shall apply under the Charged Agreement with respect to the Credit Swap Transaction in respect of the Counterparty to the Credit Swap Transaction.
- (3) The Charged Agreement with respect to the Rate Swap Transaction provides that in the event that the current short term unsecured, unsubordinated credit rating of the Counterparty to the Rate Swap Transaction, or any third party guarantor referred to in (ii) below is downgraded below "A-1" by S&P or below "P-1" by Moody's (the "**Minimum Rating**") and, as a result of such downgrade, the then current rating of the Notes would be adversely affected (a "**Rating Event**"), the Counterparty to the Rate Swap Transaction shall, within 30 days of the Rating Event, (at its own expense) either:
  - (i) post collateral on a daily mark-to-market basis with the Issuer pursuant to a mark-to-market collateral agreement based on the form of the 1995 ISDA (Bilateral Form – Transfer) Credit Support Annex (English law), in form and substance reasonably satisfactory to the Issuer and the Trustee and such that S&P and Moody's each confirms that its then current ratings of the Notes will not be withdrawn or adversely affected, in support of its obligations under the Rate Swap Transaction, such collateral to be in an amount determined by reference to

S&P's and Moody's then prevailing collateral posting requirements; or

- (ii) obtain a guarantee of its obligations under the Rate Swap Transaction from a third party that satisfies the Minimum Rating and such third party shall be a Credit Support Provider for the purposes of the Charged Agreement with respect to the Rate Swap Transaction; or
- (iii) subject to the prior written consent of the Trustee and confirmation having been given by each of S&P and Moody's that its then current rating of the Notes will not be withdrawn or adversely affected thereby, transfer all of its rights and obligations under the Rate Swap Transaction to a replacement third party, provided that such third party (or its credit support provider) has at least the Minimum Rating and provided further that such third party (and, if applicable, its credit support provider) agrees to be bound by the terms of each relevant Series Document on substantially the same terms as the Counterparty to the Rate Swap Transaction; or
- (iv) subject to confirmation having been given by each of S&P and Moody's that its then current rating of the Notes will not be withdrawn or adversely affected thereby, employ any other strategy acceptable to the Issuer and the Trustee.

In relation to any delivery of collateral pursuant to item (i) above, the Counterparty to the Rate Swap Transaction must (to the extent required by S&P's or Moody's then prevailing collateral posting requirements), within 30 Business Days of the date of such delivery, obtain an enforceability opinion (which may be disclosed to S&P and, as the case may be, Moody's but which may be expressed to be not capable of being relied on by S&P or, as the case may be, Moody's), in a form such that each of S&P and Moody's confirms that the then current rating of the Notes will not be withdrawn or adversely affected, to the effect that the collateral delivered pursuant to item (i) above will be available in a timely manner upon the bankruptcy of the Counterparty to the Rate Swap Transaction, but containing standard qualifications and assumptions, in respect of such delivery of collateral. If the Counterparty to the Rate Swap Transaction does not take the measures described in (a)(i), (ii), (iii) or (iv) above within 30 days of the Rating Event, such failure shall constitute an Event of Default under the Charged Agreement with respect to the Rate Swap Transaction and the Counterparty.

- (4) The Charged Agreement with respect to the Rate Swap Transaction provides that in the event that Credit Suisse, Cayman Islands Branch either (i) obtains a guarantee of its obligations under the Rate Swap Transaction as contemplated in paragraph (3)(ii) above of this Additional Provision (L) or transfers all its rights and obligations under the Rate Swap Transaction to a replacement third party (the "**Replacement Third Party**") as contemplated in paragraph (3)(iii) above of this Additional Provision (L), the occurrence of any event falling within the definition of Event of Default under the Charged Agreement with respect to the Rate Swap Transaction

in relation to Credit Suisse, Cayman Islands Branch shall not constitute an Event of Default with respect to the Counterparty and, accordingly, the Issuer will not be entitled to designate an Early Termination Date in respect of the Rate Swap Transaction and no Early Termination Date will be deemed to be designated or automatically occur as a result of the occurrence of any such event provided always that, if a guarantee of the obligations of Credit Suisse, Cayman Islands Branch is obtained and the rights and obligations of Credit Suisse, Cayman Islands Branch under the Rate Swap Transaction have not been transferred to a Replacement Party as contemplated by paragraph (3)(iii) above of this Additional Provision (L), such guarantee has been obtained such that each of S&P and Moody's has confirmed that its then current rating of the Notes will not be adversely affected or withdrawn as a result.

**(M) Representations; Transfer Restrictions**

Each purchaser of the Notes will be deemed to have represented and agreed as follows:

- (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits, risks and suitability (including for tax, legal, regulatory, accounting and other financial purposes) of its prospective investment in such Notes and/or has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary;
- (b) it has made its own investment decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and has determined that an investment in such Notes is suitable and appropriate for it;
- (c) it has no need for liquidity with respect to such Notes and no need to dispose of its interest in any Notes or portion thereof to satisfy any existing or contemplated indebtedness, obligations or other undertaking, and the aggregate amount paid by it to purchase the Notes (or any interest therein) is not disproportionate to its net worth;
- (d) it is able to bear any loss in connection with such Notes (including loss of the entirety of its original principal investment) and is otherwise capable and willing to assume such risks;
- (e) in making such investment it is not relying on the advice or recommendations of or any view expressed by the Issuer or the Arranger or any of its Affiliates (or any representative or agent of either of the foregoing);
- (f) it has received and read the Programme Memorandum and this Pricing Supplement and/or has been given the opportunity to review all such documentation and all other documentation relating to the Notes (including, without limitation, the documentation comprising the Charged Agreement, the Constituting Instrument and all documentation incorporated by reference therein) at the offices of the Arranger and it understands all such documentation read by it including in particular, but without limitation, the sections of this Pricing Supplement headed "*Investor Suitability*" and "*Risk Factors*"; and

- (g) if it is a charity, political party, university or superannuation fund, it has carried out all appropriate additional reviews and suitability checks.

(N) **Amendment to Condition 4(c)**

The wording “In the event of the security constituted under the relevant Trust Deed (or, if applicable, any Additional Charging Instrument) becoming enforceable” in the first line of Condition 4(c) shall be replaced in its entirety by the following wording:

“In the event of the Notes becoming due for redemption “.

(O) **Amendment to Condition 13**

- (1) In each instance that the wording “which confirmation shall entitle the Trustee to conclude that the interests of the Noteholders will not be materially prejudiced thereby” appears in Condition 13(a), such wording shall be replaced in its entirety by the following wording:

“(which confirmation the Trustee may take into consideration in making a determination as to whether the interests of the Noteholders will or will not be materially prejudiced thereby)”.

- (2) Condition 13(f) (*Rating Agency*) shall be deleted in its entirety and replaced with the following:

“(f) *Rating Agency*

If the Notes are rated at the request of the Issuer and each relevant Rating Agency confirms that any proposed action on the part of the Issuer or any other person would not adversely affect or result in the withdrawal of the current rating of the Notes, the Trust Deed provides that in certain circumstances the Trustee may take such confirmation into consideration in making a determination as to whether the interests of the Noteholders will or will not be materially prejudiced by such proposed action.”

(P) **Definitions**

“**Affiliate**” when referred to with respect to any person shall include any entity controlled, directly or indirectly, by such person, any entity that controls, directly or indirectly, such person and any entity under common control with such person.

“**Aggregate Outstanding Principal Amount**” means, in respect of the Notes, at any time, the aggregate of the Outstanding Principal Amount of each Note at such time.

“**Cash Account**” means, in respect of each Series of Notes, an interest-bearing account with the Custodian, provided that the Custodian has a short-term unsecured debt rating of at least A-1+ by S&P and either (a) if the Custodian has both a Moody’s long-term senior unsecured debt rating and a Moody’s short-term unsecured debt rating, a long-term senior unsecured debt rating of at least A1 and a short-term unsecured debt rating of at least P-1 by Moody’s or

(b) if the Custodian has a Moody's long-term senior unsecured debt rating but Moody's does not rate the Custodian's short-term unsecured debt, a long-term senior unsecured debt rating of at least Aa3 by Moody's, in the name of the Issuer on terms that funds standing to the credit of such account shall earn such rates as may be agreed from time to time by the Issuer, the Counterparty and the Custodian. The Cash Account shall be an account which is segregated in the books of the Custodian and shall have a principal ledger and an interest ledger in order to enable the Custodian to distinguish between principal amounts and non-principal amounts credited to the Cash Account from time to time and the Custodian shall maintain all such ledgers. For the avoidance of doubt, each Cash Account (as defined herein) must meet the criteria in relation to USD cash deposits set out in the definition of Eligible Collateral Assets.

**"Collateral Legal Maturity Date"** means the legal maturity date (howsoever described) of the Collateral Assets (or, as the case may be, the latest legal maturity date (howsoever described) if there is more than one Collateral Asset outstanding).

**"Counterparty Priority"** means:

- (1) firstly, in relation to the Issuer only, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes of any party to any of the documents entered into in connection with the issue of the Notes;
- (2) secondly, in meeting the claims (if any) of the Portfolio Manager under the Portfolio Management Agreement (other than the claims (if any) of the Portfolio Manager under Section 10A of the Portfolio Management Agreement);
- (3) thirdly, to the payment of Unpaid Administrative Expenses (other than fees and expenses payable to the Trustee under Condition 4(d)), in relation to each item thereof, on a *pro rata* basis, provided that the aggregate of such Unpaid Administrative Expenses payable shall not exceed US\$50,000;
- (4) fourthly, in meeting the claims (if any) of the Portfolio Manager under Section 10A of the Portfolio Management Agreement;
- (5) fifthly, in meeting the claims (if any) of the Counterparty under the Charged Agreements and the Portfolio Management Agreement;
- (6) sixthly, in meeting the claims (if any) of the Noteholders, the Receiptholders and the Couponholders (if any) *pari passu* and rateably; and
- (7) seventhly, in meeting any other outstanding liabilities of the Issuer and, thereafter, in payment of the balance (if any) to the Issuer.

**"Credit Loss Reduction"** means, relative to each Note, an amount rounded up to the nearest USD 0.01 which is equal to the amount of the relevant Cash Settlement Amount (if any) with respect to the relevant Reference Entity (other than a Short Reference Entity) multiplied by the fraction the numerator of which

is the principal amount of such Note and the denominator of which is the aggregate principal amount of the Notes.

**“Determination Agent”** means Credit Suisse First Boston International.

**“Eligible Collateral Assets”** means (subject as set out further below) either:

- (1) USD cash deposits with an OECD bank (other than, for the avoidance of doubt, Fixed Deposits, as defined in the confirmation relating to the Credit Swap Transaction but including, for the avoidance of doubt, the deposits in the Cash Account provided that the criteria are and remain satisfied with respect to the Cash Account) which should be rated at least A-1+ by S&P (or its equivalent following a change in the ratings scale used by S&P) and either (a) if the OECD bank has both a Moody’s long-term senior unsecured debt rating and a Moody’s short-term unsecured debt rating, a long-term senior unsecured debt rating of at least A1 and a short-term unsecured debt rating of at least P-1 by Moody’s or (b) if the OECD bank has a Moody’s long-term senior unsecured debt rating but Moody’s does not rate the OECD bank’s short-term unsecured debt, a long-term senior unsecured debt rating of at least Aa3 by Moody’s on the date such deposit is made; or
- (2) USD denominated bonds which must be rated AAA by S&P (or its equivalent following a change in the ratings scale used by S&P) and Aaa by Moody’s on the date they are selected to form part of the Charged Assets.

No cash deposit comprising Eligible Collateral Assets may mature later than one month after the date such deposit is made or as otherwise agreed by S&P and Moody’s provided that no Collateral Asset (other than the Initial Collateral Assets (as defined in the Conditions)) shall have a Collateral Legal Maturity Date later than the Maximum Collateral Legal Maturity Date.

If any Eligible Collateral Assets mature prior to the Scheduled Maturity Date, the cash proceeds from the realisation of such Eligible Collateral Assets may be deposited (any such deposit, a **“Cash Deposit”**) with an OECD bank (which OECD bank must be rated at least A-1+ by S&P and P-1 by Moody’s (or its equivalent following a change in the ratings scale used by S&P and Moody’s) on the date such deposit is made), provided that any such Cash Deposit must mature no later than five Business Days prior to the Scheduled Maturity Date.

All Eligible Collateral Assets must be gross-paying assets and must not, as at the date they are selected to form part of the Charged Assets, be payable subject to withholding or deduction for or on account of tax.

**“Eligible Fixed Deposits”** means USD cash deposits with an OECD bank rated at least A-1+ by S&P and either (a) if the OECD bank has both a Moody’s long-term senior unsecured debt rating and a Moody’s short-term unsecured debt rating, a long-term senior unsecured debt rating of at least A1 and a short-term unsecured debt rating of at least P-1 by Moody’s or (b) if the OECD bank has a Moody’s long-term senior unsecured debt rating but Moody’s does not rate the OECD bank’s short-term unsecured debt, a long-term senior unsecured debt rating of at least Aa3 by Moody’s (or its equivalent following a change in the ratings scale used by S&P and Moody’s) on the date such deposit is made. No cash deposit comprising an Eligible Fixed Deposit may mature later than one year after the date such deposit is made unless otherwise agreed by S&P and

Moody's and sufficient cash deposits must mature on or prior to each Interest Payment Date to fund the Spread Interest Amount with respect to such Interest Payment Date. Eligible Fixed Deposits must not be subject to withholding or deduction for or on account of tax.

**"Extended Maturity Date"** means, if and to the extent that Additional Provision (F) applies, the last day of the Notice Delivery Period (as defined in the confirmation relating to the Credit Swap Transaction).

**"Final Maturity Date"** means, if and to the extent that Additional Provision (E) applies, the third Business Day following the Suspension Period End Date falling after the Scheduled Maturity Date or, as the case may be, the Extended Maturity Date.

**"Fixed Deposit Account"** means an interest-bearing account with the Custodian which is segregated in the books of the Custodian, provided that the Custodian has a short-term unsecured debt rating of at least A-1+ by S&P and P-1 by Moody's, in the name of the Issuer on terms that funds standing to the credit of such account shall earn such rates as may be agreed from time to time by the Issuer, the Counterparty and the Custodian. For the avoidance of doubt, each Fixed Deposits Account (as defined herein) must meet the criteria in relation to USD cash deposits set out in the definition of Eligible Fixed Deposits.

**"Issuer Principal Funds"** means, with respect to each Note on the Scheduled Maturity Date or the Extended Maturity Date or the Maturity Date falling after the Scheduled Maturity Date an amount equal to the amount standing to the credit of the Cash Account on such date (other than any interest credited thereto and required to be applied towards payment of the Variable Coupon Amount or an amount due to the Counterparty under the Rate Swap Transaction) together with any principal proceeds received by or on behalf of the Issuer in respect of the Collateral Assets to the extent not yet credited to the Cash Account, such amount and/or proceeds multiplied by the fraction the numerator of which is the Outstanding Principal Amount of such Note and the denominator of which is the Aggregate Outstanding Principal Amount.

**"Maximum Collateral Legal Maturity Date"** means the Scheduled Maturity Date.

**"Moody's"** means Moody's Investors Service Limited or any successor to its credit ratings business.

**"Noteholder Priority"** means:

- (1) firstly, in relation to the Issuer only, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes of any party to any of the documents entered into in connection with the issue of the Notes;
- (2) secondly, in meeting the claims (if any) of the Portfolio Manager under the Portfolio Management Agreement (other than the claims (if any) of the Portfolio Manager under Section 10A of the Portfolio Management Agreement);



- (3) thirdly, to the payment of Unpaid Administrative Expenses (other than fees and expenses payable to the Trustee under Condition 4(d)), in relation to each item thereof, on a *pro rata* basis, provided that the aggregate of such Unpaid Administrative Expenses payable shall not exceed US\$50,000;
- (4) fourthly, in meeting the claims (if any) of the Portfolio Manager under Section 10A of the Portfolio Management Agreement;
- (5) fifthly, in meeting the claims (if any) of the Noteholders, the Receipholders and the Couponholders (if any) *pari passu* and rateably;
- (6) sixthly, in meeting the claims (if any) of the Counterparty under the Charged Agreements and the Portfolio Management Agreement; and
- (7) seventhly, in meeting any other outstanding liabilities of the Issuer and, thereafter, in payment of the balance (if any) to the Issuer,

**“Outstanding Principal Amount”** shall have the meaning ascribed to it in item 16 above.

**“Pending Cash Settlement Amount”** shall have the meaning ascribed to it in Additional Provision (D).

**“Potential Credit Event”** means an event which, in the determination of the Determination Agent, may, with the passage of time, constitute a Credit Event.

**“S&P”** means Standard & Poor’s Rating Services, a Division of the McGraw Hill Companies, Inc. or any successor to its credit ratings business.

**“Series Overheads”** means:

- (a) the costs of printing the Notes or any publication or advertising in respect of the Notes;
- (b) any fees, costs and expenses payable by the Issuer pursuant to the Constituting Instrument;
- (c) any legal fees and disbursements payable by the Issuer to Matheson Ormsby Prentice or any other legal advisers in respect of the issue of the Notes;
- (d) any fees payable to any stock exchange or competent authority in respect of the listing or admission to trading of the Notes on or by such stock exchange or competent authority; and
- (e) any other fee, cost, expense or disbursement properly incurred by the Issuer in relation to the Notes which is not to be reimbursed by any other person.

**“Short Reference Entity”** shall have the meaning ascribed to it in the Portfolio Management Agreement.

**“Suspension Period End Date”** shall have the meaning ascribed to it in Additional Provision (E).

**“Unpaid Administrative Expenses”** means Series Overheads which are accrued and unpaid by the Issuer or by any other party which is required to pay the same for and on behalf of the Issuer.

**“Unsettled Credit Event”** shall have the meaning ascribed to it in Additional Provision (D).

## USE OF PROCEEDS

The net proceeds from the issue of the Notes, being USD 60,000,000, will be credited to the Cash Account and may be used to invest in Eligible Collateral Assets.

## DESCRIPTION AND FORM OF CHARGED AGREEMENTS

The Issuer and the Counterparty have, by executing the Constituting Instrument in respect of the Notes, entered into, in relation to the Notes:

- (i) a 1992 ISDA Master Agreement and Schedule thereto in the form of the Master Charged Agreement Terms (August 2005 Edition – 1992 Master version) (Ref: MCATAug2005v1) signed for the purpose of identification on 08 August 2005 (as amended by the Constituting Instrument) which, in respect of the Notes, will be supplemented by a confirmation of the Credit Swap Transaction; and
- (ii) a 1992 ISDA Master Agreement and Schedule thereto in the form of the Master Charged Agreement Terms (August 2005 Edition – 1992 Master version) (Ref: MCATAug2005v1) signed for the purposes of identification on 08 August 2005 which will be supplemented by a confirmation of the Rate Swap Transaction.

The form of the confirmation of the Credit Swap Transaction is set out in full in the section of this Pricing Supplement entitled “*Form of Confirmation of Credit Swap Transaction*”.

The form of confirmation of the Rate Swap Transaction is set out in full in the section of this Pricing Supplement entitled “*Form of Confirmation of Rate Swap Transaction*”.

Payments of interest and principal to the Noteholders in respect of the Notes are entirely contingent on the full and timely performance of the obligations of the Counterparty under the Charged Agreements.

## FORM OF CONFIRMATION OF CREDIT SWAP TRANSACTION

### SWAP CONFIRMATION

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between Party A and Party B (each as defined below) on the Trade Date specified below (the "**Transaction**"). This Confirmation, including the Reference Entities Appendix, Entity Type Appendix and Trading Criteria Appendix (each as defined herein) constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as amended and supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (together, the "**Credit Derivatives Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation, subject to the modifications and exclusions below. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation shall govern.

This Confirmation supplements, forms a part of, and is subject to, the 1992 ISDA Master Agreement and Schedule thereto entered into by Party A and Party B by virtue of their entering into the Constituting Instrument dated 12 October 2005 in relation to Party B's Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010 (the "**Notes**"), as amended and supplemented from time to time (the "**Agreement**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and expressions used but not otherwise defined in the Agreement shall have the meanings ascribed to them in the Terms and Conditions of the Notes or, if not so ascribed in the Terms and Conditions of the Notes, ascribed to them in the Portfolio Management Agreement (as defined below). In the event of any inconsistency between words and meanings defined in the Terms and Conditions of the Notes or in the Portfolio Management Agreement and words and expressions defined in this Confirmation, this Confirmation will govern.

Pursuant to a Portfolio Management Agreement (the "**Portfolio Management Agreement**") dated on or about the date of this Confirmation between, among others, Party A, Party B and Caywood-Scholl Capital Management LLC (the "**Portfolio Manager**") the Portfolio Manager is appointed to direct the Substitution, Short/Long Addition, Short/Long Removal and Automatic Removal of Reference Entities subject to and in accordance with the terms of the Portfolio Management Agreement.

**In this Confirmation "Party A" means Credit Suisse, Cayman Islands Branch, and "Party B" means Magnolia Finance VI plc.**

The terms of the Transaction to which this Confirmation relates are as follows:

1. **General Terms:**

Trade Date: 04 August 2005.

Effective Date: 25 August 2005.

Scheduled Termination Date: 20 September 2010.

Termination Date: For the purposes of this Transaction, the Termination Date shall be the earlier of: (i) the later of (a) the Scheduled Termination Date; (b) the Grace Period Extension Date and (c) if the Conditions to Settlement have been satisfied during the Notice Delivery Period and the related Cash Settlement Date has not occurred prior to the Scheduled Termination Date, the final Cash Settlement Date to occur hereunder after the Scheduled Termination Date; (ii) the first date on which Party B has paid to Party A aggregate Cash Settlement Amounts equal to the Floating Payment Limit and (iii) the Call Date or, if an Unsettled Credit Event (as defined in the Terms and Conditions of the Notes) exists on such Call Date, the third Business Day following the relevant Suspension Period End Date (as defined in the Terms and Conditions of the Notes).

Call Date: Party A may terminate the Transaction in whole on any Potential Call Date. Party A will deliver a notice to Party B at least 20 Business Days prior to a Potential Call Date on which it wishes to terminate the Transaction (such Potential Call Date, a '**Call Date**'). The Issuer Call Option described in the Terms and Conditions of the Notes shall be deemed to have been exercised in accordance with the Terms and Conditions of the Notes upon delivery of such notice by Party A and Party B hereby agrees that the Issuer Call Option shall not be exercised in any other circumstances.

Potential Call Dates: 20 September 2008 and each 20 December, 20 March, 20 June and 20 September thereafter up to and including 20 June 2010.

Floating Rate Payer: Party B (the "**Seller**").

Fixed Rate Payer: Party A (the "**Buyer**").

Calculation Agent: Credit Suisse First Boston International.

Calculation Agent City: London.

Business Day: London and New York.

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity: Each entity (and any Successor thereto) specified as a Reference Entity in the appendix to this Confirmation headed "Reference Entities Appendix" (the "**Reference Entities Appendix**"), as the same may be amended from time to time in accordance with Section 6 hereof.

Each Reference Entity has been designated as a particular "**Entity Type**" in the Reference Entities Appendix. Each annex (each, an "**Entity Type Annex**") of the appendix to this Confirmation headed "Entity Type Appendix" (the "**Entity Type Appendix**") sets forth the standard terms applicable to Reference

Entities of a particular Entity Type. Each Reference Entity shall be subject to the application of the standard terms set out in the Entity Type Annex which corresponds to the Entity Type designated for such Reference Entity. In the event of a Substitution or Short/Long Addition, Party A shall be entitled to supplement the Entity Type Appendix with additional Entity Type Annexes which shall apply to the Replacement Reference Entity, Long Reference Entity or Short Reference Entity, as the case may be.

Reference Obligations:

In relation to any Reference Entity in respect of which a Credit Event has occurred, Reference Obligation(s) shall mean the Eligible Obligation(s) selected by Party A as the Reference Obligation(s), in its sole and absolute discretion, prior to the Valuation Date.

Eligible Obligations:

Eligible Obligation shall mean:

(i) the obligation specified for the relevant Reference Entity in the column headed "Specified Obligation" in the Reference Entities Appendix (a "**Specified Obligation**"); and

(ii) any obligation of such Reference Entity that satisfies the Deliverable Obligation Category and Deliverable Obligation Characteristics set forth in the Entity Type Annex applicable to the relevant Reference Entity (as may be amended by this Confirmation) as of the date on which the Eligible Obligation(s) are selected by Party A as Reference Obligation(s).

If at any time, from and including 25 August 2005 (the "**Succession Event Reference Date**"), and for any reason other than due to the existence or occurrence of a Credit Event, a Specified Obligation is redeemed in whole or in the opinion of the Calculation Agent (A) the aggregate amounts scheduled to be paid under such Specified Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) such Specified Obligation is an Underlying Obligation with a Qualifying Guarantee of the relevant Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, such Specified Obligation is no longer outstanding (a "**Redeemed Specified Obligation**"), the Calculation Agent shall, following the occurrence of a Credit Event in respect of the Reference Entity specified in the same row as such Specified Obligation in the Reference Entities Appendix, designate one or more obligations of such Reference Entity (each, a "**Substitute Specified Obligation**") to replace such Redeemed Specified Obligation. A Substitute Specified Obligation shall

satisfy the Deliverable Obligation Category and Deliverable Obligation Characteristics set forth in the Entity Type Annex applicable to the relevant Reference Entity on the date it is designated a Substitute Specified Obligation by the Calculation Agent; provided, however, that if the Calculation Agent determines that no obligation satisfying the Deliverable Obligation Characteristic “Secured” exists with respect to a Reference Entity in respect of which “Secured” appears in the column entitled “Specified Obligation Ranking” in the Reference Entities Appendix, the Deliverable Obligation Characteristic “Secured” shall not apply to such Substitute Specified Obligation and the Final Average Price in respect of any such Substitute Specified Obligation following the occurrence of a Credit Event shall be deemed to be 47.5%. The column headed “Specified Obligation” in the Reference Entities Appendix shall be deemed to include any Substitute Specified Obligation designated by the Calculation Agent in respect of a Reference Entity.

Deliverable Obligation Category:

As set out in the Entity Type Annex applicable to the relevant Reference Entity.

Deliverable Obligation Characteristics:

As set out in the Entity Type Annex applicable to the relevant Reference Entity, provided that:

- (i) the Deliverable Obligation Characteristic “Not Subordinated” shall not be applicable to a Reference Entity in respect of which “Subordinated” appears under the column entitled “Specified Obligation Ranking” in the Reference Entities Appendix; and
- (ii) “Secured” shall be a Deliverable Obligation Characteristic applicable only to a Reference Entity in respect of which “Secured” appears under the column entitled “Specified Obligation Ranking” in the Reference Entities Appendix.

In relation to the Deliverable Obligation Characteristics, the Credit Derivatives Definitions shall be modified as follows:

- (a) References to “**Physical Settlement Date**” in Section 2.20(b)(vi) of the Credit Derivatives Definitions shall be deemed to be references to “**Valuation Date**”.
- (b) References to “**Delivery Date**” in Section 2.20(b)(i) and (vii) of the Credit Derivatives Definitions shall be deemed to be references to “**Valuation Date**”.
- (c) For the purpose of proviso (ii) above, “**Secured**” means any obligation of the Reference Entity that, as at the relevant time of selection, is secured by a lien on assets that includes at least

all of the assets that from time to time secure or secured the Specified Obligation, and in respect of which the priority of the lien is the same as the priority of the lien that secures or secured the Reference Obligation.

All Guarantees: In relation to each Reference Entity, applicable or not applicable as set out in the relevant Entity Type Annex.

## 2. Fixed Payments:

Fixed Amount: USD 2,434,666.67

(the “**Initial Fixed Deposit Amount**”).

Fixed Rate Payer Payment Date: The date of this Confirmation.

## 3. Floating Payments:

Floating Rate Payer Calculation Amount: In relation to each Reference Entity, the product of the Reference Portfolio Notional and the percentage corresponding to such Reference Entity in the column headed “Credit Position” in the Reference Entities Appendix, subject to adjustment as provided in Section 2.2 of the Credit Derivatives Definitions (as modified herein).

Reference Portfolio Notional: USD 2,666,666,667

Conditions to Settlement:

1. Credit Event Notice  
Notifying Party: Buyer.
2. Notice of Publicly Available Information:  
Applicable.

Multiplicity of Credit Events: Notwithstanding any provision of the Credit Derivatives Definitions, the Conditions to Settlement may be satisfied more than once with respect to this Transaction, but, subject to Section 3.9 of the Credit Derivatives Definitions (as modified herein), once only in respect of each Reference Entity.

Upon the occurrence of an Event Determination Date with respect to a Reference Entity, such Reference Entity shall, subject to Section 3.9 of the Credit Derivatives Definitions (as modified herein), cease to be a Reference Entity for all purposes (and shall, subject to Section 3.9 of the Credit Derivatives Definitions (as modified herein), be removed from the Reference Entities Appendix) other than for the purposes of the calculation of the Cash Settlement Amount in consequence of the occurrence of such Event Determination Date.

Credit Events: As set out in the Entity Type Annex applicable to the relevant Reference Entity, provided that notwithstanding anything to the contrary in such Entity Type Annex:



(i) Restructuring shall not be a Credit Event for any Reference Entity in respect of which “No Restructuring” appears in the column entitled “Restructuring” in the Reference Entities Appendix;

(ii) Restructuring shall be a Credit Event for any Reference Entity in respect of which “Modified Restructuring” appears in the column entitled “Restructuring” in the Reference Entities Appendix and, for the purposes of Section 2.32 of the Credit Derivatives Definitions, “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” shall apply with respect to such Reference Entity for the purposes of determining an Eligible Obligation in accordance with paragraph (ii) of the definition of Eligible Obligation; and

(iii) Restructuring shall be a Credit Event for any Reference Entity in respect of which “Modified Modified Restructuring” appears in the column entitled “Restructuring” in the Reference Entities Appendix and, for the purposes of Section 2.33 of the Credit Derivatives Definitions, “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” shall apply with respect to such Reference Entity for the purposes of determining an Eligible Obligation in accordance with paragraph (ii) of the definition of Eligible Obligation.

Obligations:

Obligation Category: As set out in the Entity Type Annex applicable to the relevant Reference Entity.

Obligation Characteristics: As set out in the Entity Type Annex applicable to the relevant Reference Entity.

Floating Payment Limit: Party B as Floating Rate Payer shall not, pursuant to the terms of this Transaction, be required to pay Cash Settlement Amounts to Party A in an aggregate amount in excess of the Floating Payment Limit. If the payment by Party B as Floating Rate Payer to Party A of a Cash Settlement Amount (the “**Final Cash Settlement Amount**”) would cause Party B as Floating Rate Payer to have paid to Party A, pursuant to the terms of this Transaction any amount in excess of the Floating Payment Limit then, instead of paying such Final Cash Settlement Amount to Party A, Party B shall, on the relevant Cash Settlement Date, pay to Party A an amount equal to the positive difference of (i) the Floating Payment Limit minus (ii) the sum of all Cash Settlement Amounts already paid by Party B.

“**Floating Payment Limit**” means USD 60,000,000.

#### 4. **Terms relating to settlement:**

Settlement Method: Cash Settlement (as modified in this Confirmation).

Subject to "Floating Payment Limit" above, on each Cash Settlement Date, Party B shall pay to Party A the relevant Cash Settlement Amount.

Cash Settlement Date: Three Business Days immediately following the date on which the relevant Final Average Price is determined.

Cash Settlement Amount: In respect of each Cash Settlement Date, the Cash Settlement Amount shall be:

(I) if such Cash Settlement Date relates to an Event Determination Date with respect to any Reference Entity other than a Short Reference Entity, an amount equal to the greater of (A) the excess of (i) the Aggregate Loss Amount for such Cash Settlement Date over (ii) the greater of (a) the Aggregate Loss Amount for the immediately preceding Cash Settlement Date (or zero, in respect of the first Cash Settlement Date) and (b) the Subordination Amount, and (B) zero; and

(II) if such Cash Settlement Date relates to an Event Determination Date with respect to a Short Reference Entity, an amount equal to the Loss Amount with respect to such Short Reference Entity multiplied by  $-1.0$ . However, notwithstanding Section 7.1 of the Credit Derivatives Definitions, Party B shall not be obliged to pay the Cash Settlement Amount to Party A, but, rather, the Subordination Amount shall be increased as of the Cash Settlement Date relating to such Cash Settlement Amount by an amount to be determined by the Calculation Agent.

Party B shall satisfy its obligation to pay any Cash Settlement Amount to Party A by delivering to Party A on the relevant Cash Settlement Date securities comprising Collateral Assets and/or (in such proportion as may be selected by Party A in its sole discretion) cash (if any) comprising the Charged Assets with an outstanding principal balance or, as the case may be, in an amount which in aggregate is equal to the relevant Cash Settlement Amount (rounded up, in the case of securities comprising Collateral Assets, to the nearest denomination of any such securities being delivered). If due to rounding Party B delivers to Party A on a Cash Settlement Date Charged Assets the outstanding principal balance and amount (if cash is then comprised in the Charged Assets) of which is greater than the relevant Cash Settlement Amount, Party A shall pay to Party B an amount equal to such excess on the relevant Cash Settlement Date.

All references in this Confirmation to the payment by Party B of a Cash Settlement Amount shall be construed in accordance with the foregoing paragraph.

Final Average Price: If only one Reference Obligation is selected in relation to a Reference Entity, the "**Final Average Price**" is the

Final Price determined in relation to such Reference Obligation.

If more than one Reference Obligation is selected for a Reference Entity, the “**Final Average Price**” is the average (weighted by the respective Quotation Amounts of the Reference Obligations) of the Final Price determined in relation to each Reference Obligation selected in relation to such Reference Entity.

Loss Amount:

“**Loss Amount**” means, with respect to a Reference Entity and any date of determination:

- (i) if a Credit Event has occurred and the related Final Average Price has been determined, an amount equal to the product of:
  - (a) the Floating Rate Payer Calculation Amount relating to such Reference Entity; and
  - (b) (100% minus the Final Average Price); or
- (ii) if no Credit Event has occurred or the related Final Average Price has not been determined, zero.

Aggregate Loss Amount:

With respect to any date of determination, the aggregate Loss Amounts for all Reference Entities other than Short Reference Entities at such date.

Subordination Percent:

21.625%

Subordination Amount:

An amount equal to the product of (i) the Subordination Percent and (ii) the Reference Portfolio Notional, subject to adjustment in accordance with (a) Section 6 of this Confirmation and (b) subsection (II) of the definition of Cash Settlement Amount.

1. 5. **Terms relating to determination of Final Average Price :**

Valuation Date:

Single Valuation Date.

In relation to a Reference Entity, a date, selected by Party A in its sole and absolute discretion, that occurs not fewer than 45 Business Days and not more than 60 Business Days following the satisfaction of the Conditions to Settlement in relation to such Reference Entity.

Quotation Method:

Bid.

Quotation Amount:

With respect to each Reference Obligation, an amount, selected by the Calculation Agent in its sole discretion which is:

- (i) not greater than the lesser of (a) the related Floating Rate Payer Calculation Amount of the relevant Reference Entity (or if any Reference Obligation is not denominated in USD, its equivalent in the currency in which that Reference Obligation is denominated

converted by the Calculation Agent at the Reference Obligation Exchange Rate at the time the relevant Quotation is obtained) and (b) USD 20,000,000 (or if any Reference Obligation is not denominated in USD, its equivalent in the currency in which that Reference Obligation is denominated converted by the Calculation Agent at the Reference Obligation Exchange Rate at the time the relevant Quotation is obtained) (such amount, the “**Maximum Quotation Amount**”); and

(ii) not less than USD 1,000,000 (or if any Reference Obligation is not denominated in USD, its equivalent in the currency in which that Reference Obligation is denominated converted by the Calculation Agent at the Reference Obligation Exchange Rate at the time the relevant Quotation is obtained),

provided that if, with respect to a Reference Entity, Party A selects more than one Reference Obligation, the sum of all the Quotation Amounts for all Reference Obligations of a Reference Entity (or, if any Reference Obligation is not denominated in USD, the USD equivalent of the Quotation Amount for such Reference Entity converted by the Calculation Agent by reference to the Reference Obligation Exchange Rate at the time the relevant Quotation is obtained) shall not exceed the related Maximum Quotation Amount.

“**Reference Obligation Exchange Rate**” means, with respect to a Reference Obligation, the amount of the currency in which that Reference Obligation is denominated, one currency unit of which shall be deemed to be equal to one USD, as determined by the Calculation Agent.

Dealers:

Any dealer from the following list or any other dealer selected from time to time by the Calculation Agent in its sole and absolute discretion, provided that any such other dealer is an internationally recognised dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained.

Credit Suisse First Boston LLC  
Morgan Stanley & Co., Inc.  
Merrill Lynch & Co., Inc.  
Goldman Sachs & Co.  
Deutsche Bank AG  
Bank of America N.A.  
Citicorp Securities Inc.  
Lehman Brothers Inc.  
UBS AG  
JPMorgan Chase  
Bear Stearns

Valuation Method:

Highest.

Sections 7.5(b), (c), (d) and (e) of the Credit Derivatives Definitions shall not apply to this Transaction.

Quotation:

Sections 7.7(a) and (b) of the Credit Derivatives Definitions are deleted and replaced by the following:

“**Quotation**” means each Full Quotation obtained and expressed as a percentage in the manner that follows:

“(a) (i) The Calculation Agent shall request Full Quotations from at least five Dealers, the first five of which shall not be the Calculation Agent or any of its Affiliates, on the Valuation Date, with the highest of the Full Quotations obtained being used for determining the Final Price.

(ii) If the Calculation Agent does not obtain at least two Full Quotations on the Valuation Date in accordance with (i) above, the Calculation Agent shall on a day (the “**Second Request Date**”) not prior to the third Business Day following the Valuation Date and not later than the tenth Business Day following the Valuation Date, request Full Quotations from at least five Dealers, the first five of which shall not be the Calculation Agent or any of its Affiliates and two of which shall not have been Dealers from whom Full Quotations were requested on the Valuation Date in accordance with (i) above, with the highest of the Full Quotations obtained being used for determining the Final Price.

(iii) If the Calculation Agent does not obtain at least two Full Quotations on the Second Request Date in accordance with (ii) above, the Calculation Agent shall on a day (the “**Third Request Date**”) not prior to the third Business Day following the Second Request Date and not later than the tenth Business Day following the Second Request Date, request Full Quotations from at least five Dealers, the first five of which shall not be the Calculation Agent or any of its Affiliates and two of which shall not have been Dealers from whom Full Quotations were requested on the Second Request Date in accordance with (ii) above, with the highest of the Full Quotations obtained being used for determining the Final Price. If no Full Quotation is obtained, the Final Price shall be determined using the weighted average of any firm quotations obtained from dealers other than the Calculation Agent or any of its Affiliates with respect to the aggregate portion of the Quotation Amount for which quotations were

obtained on the Third Request Date and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such date.

- (b) If no such firm quotations are obtained on the Third Request Date (in accordance with (a)(iii) above), a Quotation of zero shall be deemed to have been obtained by the Calculation Agent for the Third Request Date and shall be used for determining the Final Price.”

Quotations: Exclude Accrued Interest

Valuation Notice: As soon as reasonably practicable prior to or after each Cash Settlement Date, the Calculation Agent shall give written notice to Party B and the Principal Paying Agent with respect to the Notes of (i) the Loss Amount and (ii) the Cash Settlement Amount (if any) arising on such Cash Settlement Date.

**6. Substitutions, Short/Long Additions, Short/Long Removals and Automatic Removals**

- (1) Upon a Substitution, a Short/Long Addition, a Short/Long Removal or an Automatic Removal, with effect from the relevant Substitution, Addition or Removal Date (a) the Reference Entities Appendix shall be modified to reflect the Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal and (b) if Party A determines that a new Entity Type Annex is required to be included in the Entity Type Appendix, the Entity Type Appendix shall be modified to reflect the inclusion of such new Entity Type Annex.
- (2) Upon a Substitution, a Short/Long Addition, a Short/Long Removal or an Automatic Removal, with effect from the relevant Substitution, Addition or Removal Date, the Subordination Amount shall be reduced or increased (as the case may be) by an amount to be determined by the Calculation Agent and notified in writing to Party B and the Principal Paying Agent by Party A.
- (3) Any Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal shall satisfy the applicable provisions contained in the appendix to this Confirmation headed “Trading Criteria Appendix” (the “**Trading Criteria Appendix**”).

“**Automatic Removal**” means the automatic removal from the Reference Entity Appendix of an Unaffected Paired Entity;

“**Short/Long Pair**” means each of:

- (a) an entity with respect to which the Credit Position is, or is to be, a negative percentage (such percentage, the “**Short Credit Position**” and such entity a “**Short Reference Entity**”); and
- (b) an entity (i) with respect to which the Credit Position is, or is to be, a positive percentage equal to the absolute value of the Short Credit Position and (ii) that it is proposed is added or was added (as the case may be) to the Reference Entity Portfolio on the same date and as part

of the same pair as the Short Reference Entity (such entity a **'Long Reference Entity'**);

**"Short/Long Addition"** means the addition to the Reference Entity Appendix of a Short/Long Pair;

**"Short/Long Removal"** means the removal from the Reference Entity Appendix of a Short/Long Pair;

**"Substitution"** means the removal of up to three substituted Reference Entities from the Reference Entity Appendix and the replacement thereof in the Reference Entity Appendix with up to three replacement Reference Entities;

**"Substitution, Addition or Removal Date"** means, with respect to any Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal, as the case may be, the date on which such Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal is effected, as determined by Buyer;

**"Unaffected Paired Entity"** means, if an Event Determination Date has occurred with respect to a Reference Entity in a Short/Long Pair, the Reference Entity in such Short/Long Pair with respect to which an Event Determination Date has not occurred.

## 7. Terms relating to Fixed Deposits

- (i) Party B shall invest the Initial Fixed Deposit Amount in one or more Eligible Fixed Deposits as soon as practicable following receipt thereof (the **"Initial Fixed Deposit"**). Party B shall in the event that a Fixed Deposit matures on or prior to the Termination Date, in accordance with its terms for any reason, as soon as practicable following the date upon which it receives any notice from Party A as is referred to below in this paragraph 7(i), invest in Eligible Fixed Deposits with a Fixed Deposit Aggregate Amount or Fixed Deposit Amount, as the case may be, equal to or greater than the proceeds of the matured Fixed Deposit received by it, as selected by Party A in its sole and absolute discretion and notified to Party B, and any Fixed Deposits (being Eligible Fixed Deposits) so invested in shall become part of the Fixed Deposits Pool.
- (ii) On each Fixed Deposit Delivery Date:
  - (a) Party A shall in its sole and absolute discretion determine the Fixed Deposit Delivery Amount; and
  - (b) if the Fixed Deposit Delivery Amount so determined is greater than zero, Party B shall deliver to Party A an amount in USD standing to the credit of one or more Fixed Deposits, selected by Party A in its sole and absolute discretion, with a Fixed Deposit Amount or Fixed Deposit Aggregate Amount, as the case may be, equal to the Fixed Deposit Delivery Amount on such Fixed Deposit Delivery Date.
- (iii) If, at any time while the Notes are rated at the request of the Issuer by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc or any successor to its credit ratings business ("**S&P**") and by Moody's Investors Service Limited or any successor to its credit ratings business ("**Moody's**"), the

current short-term unsecured, unsubordinated credit rating of a Deposit Bank is downgraded below A-1+ by S&P and P-1 by Moody's, then Party B shall, as instructed by Party A, use its reasonable endeavours to invest the amount comprising a Fixed Deposit with such Deposit Bank in other Eligible Fixed Deposits, selected by Party A in its sole and absolute discretion, with a Fixed Deposit Amount or Fixed Deposit Aggregate Amount, as the case may be, equal to that of such existing Fixed Deposit. Any Fixed Deposits (being Eligible Fixed Deposits) so invested in will become part of the Fixed Deposits Pool. Party B will notify the Rating Agencies of each such Eligible Fixed Deposit upon the making of such Eligible Fixed Deposit.

- (iv) For the avoidance of doubt, if an Early Termination Date is designated or deemed to have occurred at any time in relation to the Transaction evidenced by this Confirmation, or the obligations of the parties are otherwise accelerated or terminated, in calculating the Settlement Amount pursuant to Section 6(e) of the Agreement or any amount otherwise payable by one party to the other to compensate for any other acceleration or termination, Party A's "Loss" or other loss in respect of the provisions of the Transaction evidenced by this Confirmation relating to the payment of Fixed Deposit Delivery Amounts shall be deemed to be equal to the Fixed Deposits Unwind Amount (expressed as a positive number) (and without prejudice to any other Loss or, as the case may be, other loss to be calculated or determined in respect of the termination or acceleration of the other rights and obligations of the parties to the Transaction evidenced by this Confirmation (including, without limitation, with respect to the Floating Payments). Accordingly a Fixed Deposits Unwind Amount will be payable by Party B to Party A upon an early termination of the Transaction evidenced by this Confirmation.

**"Deposit Bank"** means any bank with whom a Fixed Deposit is made in accordance with the terms of this paragraph 7.

**"Eligible Fixed Deposits"** means USD cash deposits with an OECD bank rated at least A-1+ by S&P and either (a) if the OECD bank has both a Moody's long-term senior unsecured debt rating and a Moody's short-term unsecured debt rating, a long-term senior unsecured debt rating of at least A1 and a short-term unsecured debt rating of at least P-1 by Moody's or (b) if the OECD bank has a Moody's long-term senior unsecured debt rating but Moody's does not rate the OECD bank's short-term unsecured debt, a long-term senior unsecured debt rating of at least Aa3 by Moody's (or its equivalent following a change in the ratings scale used by S&P and Moody's) on the date such deposit is made. No cash deposit comprising an Eligible Fixed Deposit may mature later than one year after the date such deposit is made unless otherwise agreed by S&P and Moody's and sufficient cash deposits must mature on or prior to each Interest Payment Date to fund the Spread Interest Amount with respect to such Interest Payment Date. Eligible Fixed Deposits must not be subject to withholding or deduction for or on account of tax.

**"Fixed Deposit"** means the Initial Fixed Deposit and each Eligible Fixed Deposit comprising the Fixed Deposits Pool, from time to time.

**"Fixed Deposit Aggregate Amount"** means, with respect to two or more Fixed Deposits, the sum of the Fixed Deposit Amounts determined with respect to such Fixed Deposits.



**"Fixed Deposit Amount"** means the amount standing to the credit of any Fixed Deposit in the Fixed Deposits Pool from time to time, as determined by Party A in its sole and absolute discretion.

**"Fixed Deposit Delivery Amount"** means, with respect to a Fixed Deposit Delivery Date, an amount determined by Party A in its sole and absolute discretion equal to the Fixed Deposits Pool Aggregate Amount minus the Minimum Fixed Deposit Amount.

**"Fixed Deposit Delivery Date"** means each date notified by Party A to Party B by at least 2 Business Days' notice as being a Fixed Deposit Delivery Date and the Scheduled Termination Date.

**"Fixed Deposits Pool"** means the Initial Fixed Deposit and each Fixed Deposit made by Party B pursuant to the terms of paragraph 7(i) or (iii) above, from time to time.

**"Fixed Deposits Pool Aggregate Amount"** means, with respect to a Fixed Deposit Delivery Date, an amount determined by Party A in its sole and absolute discretion equal to the Fixed Deposit Aggregate Amount in the Fixed Deposits Pool on such Fixed Deposit Delivery Date.

**"Fixed Deposits Unwind Amount"** means, at any time, an amount equal to the Fixed Deposit Aggregate Amount at such time less the aggregate of the Spread Interest Amounts in relation to the Notes which has accrued (but which has not yet been paid or is not yet payable) in relation to the Notes as at such time.

**"Minimum Fixed Deposit Amount"** means, with respect to a Fixed Deposit Delivery Date, an amount determined by Party A in its sole and absolute discretion equal to the aggregate of the Spread Interest Amounts in relation to the Notes which are due to be paid by Party B on each Interest Payment Date in relation to the Notes falling on or after such Fixed Deposit Delivery Date to and including the Scheduled Termination Date.

**"Spread"** has the meaning ascribed to it in the Terms and Conditions of the Notes.

**"Spread Interest Amount"** means, in relation to an Interest Amount in respect of the Notes the portion of such Interest Amount determined by Party A in its sole and absolute discretion calculated on the basis of the relevant Spread only.

## 8. **Amendment**

Each of Party A and Party B hereby agree that this Confirmation shall not be amended without the prior approval of each of S&P and Moody's.

## 9. **Credit Derivatives Definitions**

- (1) The following provisions of the Credit Derivatives Definitions shall not apply to this Transaction:
  - (a) Section 2.4 (Reference Price);
  - (b) Section 2.30 (Substitute Reference Obligation);
  - (c) Section 2.31 (Merger of Reference Entity and Seller); and

- (d) Section 7.13 (Minimum Quotation Amount)
- (2) The definitions contained in the following Sections of the Credit Derivatives Definitions shall be replaced in their entirety by the equivalent definitions in this Confirmation, and all references in the Credit Derivatives Definitions to any definitions contained in the following Sections of the Credit Derivatives Definitions shall be deemed to be references to the equivalent definitions in this Confirmation:
- (a) Section 1.7 (Termination Date);
  - (b) Section 2.10 (Fixed Rate Payer Payment Date);
  - (c) Section 7.3 (Cash Settlement Amount);
  - (d) Section 7.12 (Quotation Amount); and
  - (e) Section 7.15 (Dealers).
- (3) In addition to all other amendments to the Credit Derivatives Definitions in this Confirmation, the provisions of the Credit Derivatives Definitions shall be amended as follows:
- (a) The penultimate sentence of Section 1.14 shall not apply for as long as the Calculation Agent is Party A or an Affiliate of Party A.
  - (b) Section 2.1 of the Credit Derivatives Definitions is amended by deleting the words "shall be the Reference Entity for the Credit Derivative Transaction or a New Credit Derivative Transaction" in line 3 thereof and replacing them with the words "shall be a Reference Entity for the Credit Derivative Transaction and the original Reference Entity shall no longer be a Reference Entity (unless it is a Successor) for the Credit Derivative Transaction".
  - (c) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows: (i) the words "for the entire Credit Derivative Transaction" shall be deleted from Section 2.2(a)(i) and Section 2.2(a)(ii) and replaced with the words "to the relevant Reference Entity in relation to the Credit Derivative Transaction"; (ii) the words "for a New Credit Derivative Transaction determined in accordance with the provisions of Section 2.2(e)" shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words "to the relevant Reference Entity in relation to the Credit Derivative Transaction"; and (iii) Section 2.2(a)(vi) shall be amended by adding the words "to the relevant Reference Entity in relation to the Credit Derivative Transaction" at the end of that paragraph.
  - (d) Section 2.2(d) of the Credit Derivatives Definitions shall be deleted and replaced with the following:
    - "(d) Where: (i) one or more Successors have been identified in relation to a Reference Entity; and (ii) any one or more of such Successors have not assumed the Specified Obligation specified in the Reference Entities Appendix, another Specified Obligation will be determined by the Calculation Agent in its sole and absolute discretion which:

- (a) is an obligation of the Successor (either directly or as provider of a Qualifying Guarantee);
- (b) preserves the economic equivalent as closely as practicable of the obligations of the parties to the Transaction that were in existence immediately prior to the Succession Event; and
- (c) satisfies the same Deliverable Obligation Category and Deliverable Obligation Characteristics as the original Specified Obligation, provided that if the Calculation Agent has attempted in good faith but without success to determine an obligation that meets this criteria, this subclause (c) shall not apply,

with respect to each Successor which has not assumed the Specified Obligation specified in Reference Entities Appendix. If a Successor to a Reference Entity succeeds to any obligation of such Reference Entity which was specified as a Specified Obligation of such Reference Entity in the Reference Entities Appendix, such obligation shall be a Specified Obligation of that Successor."

Section 2.2(e) of the Credit Derivatives Definitions shall be replaced in its entirety by the following:

"(e) Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity:

(i) each such Successor will be a Reference Entity (a "Successor Reference Entity") for the purposes of this Transaction (and the original Reference Entity shall cease to be a Reference Entity except where it is a Successor Reference Entity); and

(ii) the Floating Rate Payer Calculation Amount in respect of each such Successor Reference Entity shall be equal to the Floating Rate Payer Calculation Amount in respect of the original Reference Entity divided by the number of Successor Reference Entities.

If, following the application of Section 2.2 of the Credit Derivatives Definitions, it is determined that an entity would be listed as a Reference Entity more than once under this Transaction and have more than one Floating Rate Payer Calculation Amount applicable to it (each, an "**Applicable FRPCA**"), then, from the date that any such determination is made under Section 2.2, (i) it will be deemed to be a Reference Entity only once hereunder, and (ii) the Floating Rate Payer Calculation Amount applicable to such Reference Entity will be equal to the sum of all Applicable FRPCAs.

If, following a Succession Event, the Calculation Agent determines in its sole and absolute discretion that there is no Successor with respect to a Reference Entity the Calculation Agent may determine in its sole and absolute discretion a replacement Reference Entity having regard, without limitation, to the entity or entities, as the case may be, which succeeded to any Relevant Obligations of the

Reference Entity subject to such Succession Event, subject to the proviso that the determination of such replacement Reference Entity shall, in the opinion of the Calculation Agent, preserve the economic equivalent as closely as practicable of the obligations of the parties to the Transaction that were in existence immediately prior to the Succession Event. The Calculation Agent shall give written notice of such determination to Party B and the Principal Paying Agent with respect to the Notes as soon as reasonably practicable thereafter.”

Section 2.19(b)(i)(A) shall be deleted in its entirety and replaced with the following:

“Not Subordinated” means an obligation that is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.”

- (C) Each of Section 2.32(a) and Section 2.33(a) shall be amended by deleting the words “specified (or deemed specified pursuant to Section 9.10) in the Notice of Physical Settlement” and replacing those words with the word “selected”.
- (D) Section 3.9(b) of the Credit Derivatives Definitions is amended as follows: (A) by adding the words “in respect of a Reference Entity” after the words “the then outstanding Floating Rate Payer Calculation Amount”; (B) by adding the words “and in respect of such Reference Entity only” after the words “Credit Event Notice is effective”.
- (E) Section 3.9(c) of the Credit Derivatives Definitions is amended by adding the words “in respect of the relevant Reference Entity” after the words “the then outstanding Floating Rate Payer Calculation Amount.”
- (F) Section 5.4 of the Credit Derivatives Definitions is amended by deleting the words “the Event Determination Date” and replacing them with the words “the Termination Date”.
- (G) The final sentence of Section 7.2 of the Credit Derivatives Definitions is deleted.
- (H) Section 7.5(a) of the Credit Derivatives Definitions is amended by deleting the words “with only one Reference Obligation and only one Valuation Date” in the second and third lines thereof.
- (I) Section 7.5(a)(ii) of the Credit Derivatives Definitions shall be amended and restated as follows: “Highest” means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date, the Second Request Date or the Third Request Date, as the case may be.”
- (J) Section 7.14 is amended by adding the words “(as determined in good faith and in a commercially reasonable manner by the Calculation Agent)” after the words “principal trading market”.
- (K) Notwithstanding any provision of the Credit Derivatives Definitions, the Calculation Agent shall not be required to consult with Party A or Party B in relation to any determination or calculation made or to be made by it.

Any reference herein and in the Credit Derivatives Definitions to a Succession Event is a reference to a Succession Event having occurred at any time on or after the Succession Event Reference Date.

## 10. Notice and Account Details

### (i) Details for Notices

Telephone, Telex and/or Facsimile Numbers and Contact Details

Party A: Credit Suisse, Cayman Islands Branch  
c/o Credit Suisse First Boston International  
One Cabot Square  
London  
E14 4QJ

Attn: Synthetic CDO Desk, Kareem Serageldin  
Fax: +44 207 890 2317

With copies to:  
General Counsel – Legal and Compliance Department  
Fax: +44 20 7888 2686

and:  
Operations Department – Credit Derivatives Group  
Tel: +44 20 7888 3114  
Fax: +44 20 7888 7912

Party B: Magnolia Finance VI plc  
5 Harbourmaster Place  
Dublin 1  
Ireland

Tel: +353 1 680 6000  
Fax: +353 1 680 6050  
Attn: The Directors

### (ii) Account Details

Account Details of Party A: To be advised.

Account Details of Party B: HSBC Bank (USA), New York (MRMDUS33)  
For HSBC Bank Plc London (MIDLGB22)  
Account No: 000023868  
FFC Account Name: Magnolia Finance VI plc – Series  
2005-2  
FFC Account No: 59430380

## 11. Office

Party A is a Multibranch Party and is acting through its Cayman Islands branch for purposes of this Transaction.

Party B is not a Multibranch Party.

**12. Representation and Confirmation**

- (1) Party A represents to Party B that Party A is not entering into the Transaction evidenced by this Confirmation for the purpose of putting assets of Party A beyond the reach of any person who is making, or may at some time make, a claim against Party A or for the purpose of otherwise prejudicing the interests of such person in relation to any claim which it is making or may make.
- (2) Party A and Party B confirm their agreement and understanding that it is their intention that payment of the Initial Fixed Deposit Amount be and is an irrevocable obligation of Party A to pay such amount to Party B on the Fixed Rate Payer Payment Date specified in paragraph 2 above and that such payment shall constitute an outright transfer of such Initial Fixed Deposit Amount and is not, and is not intended to be, by way of security only.
- (3) The parties confirm that this Transaction is not intended to be and does not constitute a contract of surety, insurance, guarantee or indemnity. The parties acknowledge that the payments to be made by Party B will be made independently and are not conditional upon Party A sustaining or being exposed to risk or loss and that the rights and obligations of the parties hereunder are not dependent upon Party A owning or having any legal, equitable or other interest in the Reference Entity or any Reference Obligations.

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing and returning this Confirmation.

Yours faithfully,

**CREDIT SUISSE, CAYMAN ISLANDS BRANCH**

By: \_\_\_\_\_  
Name:  
Title:

Confirmed, executed and delivered, as of the Trade Date:

**MAGNOLIA FINANCE VI PLC**

By: \_\_\_\_\_  
Name:  
Title:

## REFERENCE ENTITIES APPENDIX

No.	Reference Entities	Credit Position	Specified Obligation Ranking	Restructuring	Entity Type	Specified Obligation
	AES CORPORATION (THE)	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US00130HAQ83
	AGCO CORPORATION	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US001084AK86
	AIRGAS, INC.	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US009363AB82
	AK STEEL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US001546AE03
	AMERICAN GREETINGS CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US026375AE55
	AMERISOURCEBERGEN CORPORATION	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US03073QAB41
	ARCH WESTERN RESOURCES, LLC	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US03939RAB69
	AUTONATION, INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US05329WAB81
	BALL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US058498AF34
	BEAZER HOMES USA, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US07556QAJ40

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	BOMBARDIER, INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US097751AG66
	BOWATER INCORPORATED	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US102183AK66
	BOYD GAMING CORPORATION	0.50%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US103304BB68
	BRIGGS & STRATTON CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US109043AF68
	CABLE AND WIRELESS PUBLIC LIMITED COMPANY	0.50%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0063233679
	CALIFORNIA STEEL INDUSTRIES, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US13077QAE35
	CASE NEW HOLLAND, INC.	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	US147446AA66
	CELESTICA INC.	1.00%	Subordinated	Modified Restructuring	NORTH AMERICAN CORPORATE	US15101QAB41
	CENTURYTEL, INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US156700AG13
	CITGO PETROLEUM CORP	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US17302XAF33



<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	CITIZENS COMMUNICATIONS COMPANY	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US17453BAB71
	CLEAR CHANNEL COMMUNICATIONS, INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US184502AK84
	CMS ENERGY CORPORATION	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US125896AH37
	CONSTELLATION BRANDS, INC.	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US21036PAB40
	CORUS ENTERTAINMENT INC.	0.50%	Subordinated	Modified Restructuring	NORTH AMERICAN CORPORATE	US220874AB79
	CSC HOLDINGS, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US126304AP98
	CUMMINS, INC.	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US231021AM83
	D.R. HORTON, INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US23331AAD19
	DAIMLERCHRYSLER AG	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	US233835AA55
	DANA CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US235811AY27
	DELHAIZE AMERICA, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US246688AE51

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	DIRECTV HOLDINGS LLC	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US25459HAB15
	DOLE FOOD COMPANY, INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US256605AJ55
	DOLLAR GENERAL CORPORATION	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US256669AC63
	ECHOSTAR DBS CORPORATION	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US27876GAN88
	EIRCOM, LTD.	0.50%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0178927389
	EQUISTAR CHEMICALS L.P.	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US29444NAD49
	ESTERLINE TECHNOLOGIES CORPORATION	0.61%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US297425AD20
	FAIRFAX FINANCIAL HOLDINGS LIMITED	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US303901AF92
	FELCOR LODGING LIMITED PARTNERSHIP	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US31430QAL14
	FERRELLGAS, LP	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US315292AD46
	FLEXTRONICS INTERNATIONAL LTD.	0.61%	Subordinated	Restructuring	SINGAPORE CORPORATE	US33938EAJ64

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	GROHE HOLDING GMBH	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0200848041
	GROUP 1 AUTOMOTIVE, INC.	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US398905AC34
	HCA INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US404119AE97
	HERCULES INCORPORATED	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US427056AY24
	HOST MARRIOTT, L.P.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US44108EAS72
	HUNTSMAN INTERNATIONAL	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US44701QAH56
	INTELSAT BERMUDA LTD.	0.50%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US45820EAL65
	INTERNATIONAL STEEL GROUP INC	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US460377AB08
	INTRAWEST CORPORATION	0.61%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US460915AR25
	J SAINSBURY PLC	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0132124735
	J.C.PENNEY COMPANY, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US708130AA74

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	JETBLUE AIRWAYS CORPORATION	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US477143AC53
	K HOVNIANIAN ENTERPRISES, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US442488AQ54
	KANSAS GAS AND ELECTRIC COMPANY	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	ED9946408
	KB HOME	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US48666KAH23
	KERR-MCGEE CORPORATION	0.50%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US492386AS68
	KONINKLIJKE AHOLD N.V.	0.50%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0128973590
	L-3 COMMUNICATIONS CORPORATION	0.50%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US502413AJ62
	LA QUINTA PROPERTIES	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US50419QAD43
	LEAR CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US521865AE52
	LEUCADIA NATIONAL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US527288AS37

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	LIN TELEVISION CORPORATION	0.63%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US532776AJ03
	LUCENT TECHNOLOGIES INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US549463AD92
	LYONDELL CHEMICAL COMPANY	0.61%	Secured	No Restructuring	NORTH AMERICAN CORPORATE	US552078AT46
	MERISTAR HOSPITALITY CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US58984SAA42
	MGM MIRAGE	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US552953AF83
	MOHEGAN TRIBAL GAMING AUTHORITY	0.61%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US608328AP55
	MSW ENERGY HOLDINGS LLC	0.61%	Secured	No Restructuring	NORTH AMERICAN CORPORATE	US55375TAB35
	MYLAN LABORATORIES INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	USU62488AA69
	NALCO COMPANY	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US629855AE71
	NAVISTAR INTERNATIONAL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US63934EAH18
	NEVADA POWER COMPANY	0.61%	Secured	No Restructuring	NORTH AMERICAN CORPORATE	US641423BF44

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	NORSKE SKOGINDUSTRIER ASA	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	USR80036AN77
	NOVA CHEMICALS CORPORATION	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US66977WAF68
	NRG ENERGY, INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US629377AQ50
	NTL CABLE PLC	0.50%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	XS0190009232
	OMNICARE, INC.	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US681904AF56
	OWENS-BROCKWAY GLASS CONTAINER INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US69073TAD54
	PANAMSAT CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US697933AL34
	PETROLEOS MEXICANOS	1.00%	Senior	Restructuring	LATIN AMERICA – EMERGING MARKET - CORPORATE	US71654QAM42
	PILGRIM'S PRIDE CORPORATION	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US721467AC29
	POGO PRODUCING COMPANY	0.50%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US730448AP29
	PRIDE INTERNATIONAL, INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US74153QAF90

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	QWEST CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US74913GAB14
	RELIANT ENERGY, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US75952BAF22
	ROGERS CABLE INC.	1.00%	Secured	Modified Restructuring	NORTH AMERICAN CORPORATE	US77509NAK90
	ROGERS WIRELESS INC.	0.72%	Secured	Modified Restructuring	NORTH AMERICAN CORPORATE	US77531QAM06
	ROYAL CARIBBEAN CRUISES LTD.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US780153AL64
	RUSSELL CORPORATION	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US782352AC29
	SEAGATE TECHNOLOGY	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US81180RAB87
	SEMCO ENERGY, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US78412DAL38
	SERVICE CORPORATION INTERNATIONAL	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US817565AP96
	SHAW COMMUNICATIONS INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US82028KAG67
	SHAW GROUP INC. (THE)	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US820280AF21

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	SINCLAIR BROADCAST GROUP, INC.	0.61%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US829226AM12
	SMITHFIELD FOODS, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US832248AH17
	SMURFIT-STONE CONTAINER ENTERPRISES, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US861589AX70
	SOLECTRON CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US834182AN70
	SPEEDWAY MOTORSPORTS, INC.	1.00%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US847788AK24
	STANDARD PACIFIC CORP.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US85375CAN11
	STARWOOD HOTELS & RESORTS WORLDWIDE, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US85590AAD63
	STATION CASINOS, INC.	0.50%	Subordinated	No Restructuring	NORTH AMERICAN CORPORATE	US857689AT08
	STEEL DYNAMICS, INC.	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US858119AB63
	TECO ENERGY, INC	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US872375AC47
	THE RANK GROUP PLC	1.00%	Senior	Modified Modified Restructuring	EUROPEAN CORPORATE	US753035AB00



<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	THOMAS & BETTS CORPORATION	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US884315AF91
	THORNBURG MORTGAGE, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US885218AB33
	TRINITY INDUSTRIES, INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US896522AE95
	TRW AUTOMOTIVE INC.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US87264QAM24
	TXU CORP.	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US882848AH73
	UNITED RENTALS (NORTH AMERICA), INC.	0.61%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US911365AN42
	UNITED STATES STEEL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US912909AA63
	VIACOM INC.	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US925524AJ95
	VIDEOTRON LTEE	1.00%	Senior	Modified Restructuring	NORTH AMERICAN CORPORATE	US92658TAG31
	VINTAGE PETROLEUM, INC.	0.50%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US927460AK11
	WESTLAKE CHEMICAL CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US960413AC69

<b>No.</b>	<b>Reference Entities</b>	<b>Credit Position</b>	<b>Specified Obligation Ranking</b>	<b>Restructuring</b>	<b>Entity Type</b>	<b>Specified Obligation</b>
	XEROX CORPORATION	1.00%	Senior	No Restructuring	NORTH AMERICAN CORPORATE	US984121BN27

**ENTITY TYPE APPENDIX**

**ANNEX A**

**STANDARD TERMS FOR EUROPEAN CORPORATE**

All Guarantees:	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX B**

**STANDARD TERMS FOR EUROPEAN CORPORATE SUBORDINATED INSURANCE**

All Guarantees:	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX C**

**STANDARD TERMS FOR EUROPEAN EMERGING MARKET**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable for Loans and Not Applicable for Bonds</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Domestic Currency</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan

	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency – Standard Specified Currencies Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Consent Required Loan Transferable Not Bearer
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**ANNEX D**

**STANDARD TERMS FOR AUSTRALIAN AND NEW ZEALAND CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies, plus AUD for Australian entities and NZD for New Zealand entities</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX E**

**STANDARD TERMS FOR JAPAN CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p style="padding-left: 40px;">In all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">In all other cases, USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Not Applicable</p> <p style="padding-left: 40px;">Section 3.9 of the Credit Derivatives Definitions shall not apply.</p> <p style="padding-left: 40px;">References to “Greenwich Mean Time” in the definition of “Credit Event” in Section 3.3 of the Credit Derivatives Definitions shall be replaced by “Tokyo Time”.</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	Not Subordinated
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan



	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency – Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer
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**ANNEX F**

**STANDARD TERMS FOR SINGAPORE CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated Specified Currency – Standard Specified Currencies, plus SGD Not Sovereign Lender
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency – Standard Specified Currencies, plus SGD Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity 30 years Not Bearer

**ANNEX G**

**STANDARD TERMS FOR ASIA CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Sovereign Lender</p> <p>Not Domestic Currency</p> <p>Not Domestic Issuance</p> <p>Not Domestic Law</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies</p> <p>Not Sovereign Lender</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic Issuance</p> <p>Assignable Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX H**

**STANDARD TERMS FOR NORTH AMERICAN CORPORATE**

All Guarantees	Not Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX I**

**STANDARD TERMS FOR NORTH AMERICAN INSURANCE**

All Guarantees	Not Applicable	
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency – Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer

**ANNEX J**

**STANDARD TERMS FOR ASIA SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable</p> <p>Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Sovereign Lender</p> <p>Not Domestic Currency</p> <p>Not Domestic Issuance</p> <p>Not Domestic Law</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Sovereign Lender</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic Issuance</p> <p>Assignable Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX K**

**STANDARD TERMS FOR JAPAN SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable</p> <p>Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>In all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay.</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>In all other cases, USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Credit Event.</p> <p>Multiple Holder Obligation: Not Applicable</p> <p>Section 3.9 of the Credit Derivatives Definitions shall not apply.</p> <p>References to “Greenwich Mean Time” in the definition of “Credit Event” in Section 3.3 of the Credit Derivatives Definitions shall be replaced by “Tokyo Time”.</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan

	Deliverable Obligation Characteristics:	Specified Currency – Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer
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**ANNEX L**

**STANDARD TERMS FOR WESTERN EUROPEAN SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX M**

**STANDARD TERMS FOR EMERGING EUROPEAN & MIDDLE EASTERN SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Applicable</p> <p>Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: Not Applicable</p>	
Obligation		
	Obligation Category:	Bond
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Domestic Currency</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic Issuance</p> <p>Transferable</p> <p>Not Bearer</p>

**ANNEX N**

**STANDARD TERMS FOR LATIN AMERICA SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Applicable</p> <p>Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: Not Applicable</p>	
Obligation		
	Obligation Category:	Bond
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Domestic Currency</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic Issuance</p> <p>Transferable</p> <p>Not Bearer</p>

**ANNEX O**

**STANDARD TERMS FOR LATIN AMERICA – EMERGING MARKET - CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Not Applicable</p>	
Obligation		
	Obligation Category:	Bond
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Not Domestic</p> <p>Currency</p> <p>Not Domestic Law</p> <p>Not Domestic</p> <p>Issuance</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Not Domestic Law</p> <p>Not Contingent</p> <p>Not Domestic</p> <p>Issuance</p> <p>Transferable</p> <p>Not Bearer</p>

**ANNEX P**

**STANDARD TERMS FOR ASIA (OTHER) - EMERGING MARKET – CORPORATE**

All Guarantees	Applicable	
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p style="padding-left: 40px;">Grace Period Extension: Not Applicable</p> <p style="padding-left: 40px;">Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p style="padding-left: 40px;">Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p style="padding-left: 40px;">Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p style="padding-left: 40px;">Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	<p>Not Sovereign Lender</p> <p>Not Domestic Currency</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p> <p>Not Subordinated</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Sovereign Lender</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p> <p>Not Subordinated</p> <p>Specified Currency – Standard</p> <p>Specified Currencies</p> <p>Assignable Loan</p> <p>Not Bearer</p> <p>Not Contingent</p>

		Transferable Maximum Maturity 30 Years
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**ANNEX Q**

**STANDARD TERMS FOR AUSTRALIAN AND NEW ZEALAND SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable</p> <p>Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Repudiation/ Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Borrowed Money
	Obligation Characteristics:	None
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies, plus AUD for Australian entities and NZD for New Zealand entities</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required</p> <p>Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>

**ANNEX R**

**STANDARD TERMS FOR SINGAPORE SOVEREIGN**

All Guarantees	Applicable	
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable</p> <p>Payment Requirement: USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Repudiation/ Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: Applicable</p>	
Obligation		
	Obligation Category:	Bond or Loan
	Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies, plus SGD</p> <p>Not Sovereign Lender</p>
Deliverable Obligations		
	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency – Standard Specified Currencies, plus SGD</p> <p>Not Sovereign Lender</p> <p>Not Contingent Assignable Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p>



## **TRADING CRITERIA APPENDIX**

### **Part One**

The provisions of this Part One of the Trading Criteria Appendix shall be satisfied with respect to any Substitution, Short/Long Addition, Short/Long Removal and Automatic Removal to which such provisions apply.

#### **A. Criteria**

1. In respect of any proposed Discretionary Trading or Automatic Removals:
  - (i) if the S&P SROC Test is equal to or above 100% prior to the proposed Discretionary Trading or Automatic Removal, following the proposed Discretionary Trading or Automatic Removal the S&P SROC Test must not be below 100%; and
  - (ii) if the S&P SROC Test is below 100% prior to the proposed Discretionary Trading or Automatic Removal, following the proposed Discretionary Trading or Automatic Removal the S&P SROC Test must not be below the percentage of the S&P SROC Test prior to the proposed Discretionary Trading or Automatic Removal.
2. In respect of any Credit Improving Substitution, the S&P SROC Test must be maintained or improved.
3. The Subordination Amount (as defined in this Confirmation) must not be reduced to an amount equal to or lower than the Aggregate Loss Amount (as defined in this Confirmation) as a result of a proposed Substitution.

For the purposes of determining compliance with the criteria set out above:

- (i) Party A shall determine the industry, parent company and country of any Reference Entity (including, for the avoidance of doubt, any Replacement Reference Entity) using as its first source the industry, parent company and country determined by S&P for such Reference Entity; if no such determination has been made by S&P, Party A shall in its sole discretion determine the industry, parent company and country of such Reference Entity;
- (ii) the S&P Recovery Rates shall apply; and
- (iii) the S&P Rating shall be used.

#### **B. Reporting**

S&P will receive a monthly report containing:

- (i) if any Substitutions, Short/Long Additions, Short/Long Removals or Automatic Removals have been effected during that month, (a) a list of such Substitutions, Short/Long Additions, Short/Long Removals or Automatic Removals and (b) the results from the application of the S&P SROC Test (including the model input file);
- (ii) if there have been any Credit Events during that month, a list of those Credit Events and the related Reference Entities; and
- (iii) if there has been an adjustment to the Subordination Amount following a Credit Event during that month, notification of such adjustment.

#### **C. Definitions**

In this Part One to the Trading Criteria Appendix, the following terms shall bear the following meanings:

**"Credit Declining Substitution"** means either (i) the substitution of a Reference Entity that is currently included in the related Reference Entity Portfolio that has a more significant risk of experiencing a Credit Event or has a more significant risk of declining in credit quality (as determined by the Portfolio Manager in a commercially reasonable manner) since its inclusion in the Reference Entity Portfolio, such that, if it continued to be included in the Reference Entity Portfolio, may (as determined by the Portfolio Manager in a commercially reasonable manner) result in a downgrade, impairment or loss of the applicable rating by S&P or Moody's or (ii) the substitution of a Reference Entity that has experienced a downgrade in its Credit Rating or been placed on a watch list for possible downgrade in its Credit Rating since its inclusion in the Reference Entity Portfolio and has a significant risk of experiencing a Credit Event (as determined by the Portfolio Manager in a commercially reasonable manner).

**"Credit Improving Substitution"** means either (i) the substitution of a Reference Entity that has significantly increased in credit quality (as determined by the Portfolio Manager in a commercially reasonable manner) since its inclusion in the Reference Entity Portfolio or (ii) the substitution of a Reference Entity that has experienced an upgrade in its Credit Rating or been placed on a watch list for possible upgrade in its Credit Rating.

**"Credit Rating"** means in respect of any Reference Entity, the credit rating of the long term, unsecured and unsubordinated debt obligations of such Reference Entity by any of the Rating Agencies.

**"Discretionary Trading"** means a Discretionary Substitution, Short/Long Addition (as defined in this Confirmation) or Short/Long Removal (as defined in this Confirmation).

**"Discretionary Substitution"** means a Substitution which is neither a Credit Improving Substitution nor a Credit Declining Substitution.

**"Rating Agencies"** means S&P and Moody's.

**"Reference Entity Portfolio"** means the portfolio of Reference Entities set out in the Reference Entities Appendix to this Confirmation, as the same may be amended from time to time.

**"S&P CDO Evaluator"** means a dynamic, analytical computer programme developed by S&P and used to determine the credit risk of a portfolio of debt securities and provided to Party A (together with all instructions and assumptions necessary for the running thereof) on or before the date hereof, as such programme may be modified, updated or replaced by S&P from time to time and notified to Party A.

**"S&P Dynamic Enhancement Percentage"** means the amount of additional credit enhancement available in addition to the Subordination Amount, expressed as a percentage of the aggregate of the Floating Rate Payer Calculation Amounts of each of the Reference Entities in the Reference Entity Portfolio.

**"S&P Issuer Credit Rating"** means the rating assigned to a Reference Entity by S&P.

**"S&P Rating"** means, with respect to any debt obligation of a Reference Entity (other than a structured finance obligation) (a **"Reference Entity Obligation"**), a rating determined as follows:

- (i) if there is an S&P Issuer Credit Rating of the issuer of such Reference Entity Obligation, or the guarantor who unconditionally and irrevocably guarantees such Reference Entity Obligation, then the S&P Rating of such issuer, or the guarantor, shall be such rating (regardless of whether there is a published rating by S&P on the Reference Entity Obligation of such issuer); provided that, with respect to any private rating from S&P, Party A has delivered to S&P the appropriate consent from the related obligor with respect to the use of such private rating;

- (ii) if there is no S&P Issuer Credit Rating for the issuer and no senior unsecured debt of the issuer is rated by Moody's, then Party A may apply to S&P for a written credit estimate, which shall be its S&P Rating; provided that the aggregate of the Floating Rate Payer Calculation Amounts of the Reference Entities whose S&P Rating of their obligations is determined as provided in this clause (ii) may not exceed 5% of the Reference Portfolio Notional;
- (iii) if such Reference Entity Obligation is not rated by S&P, but another security or obligation of the issuer is rated by S&P and neither Party A does not obtain an S&P Rating for such Reference Entity Obligation pursuant to clause (ii) above, then the S&P Rating of such Reference Entity Obligation shall be determined as follows: (a) if there is a rating on a senior unsecured obligation of the issuer, then the S&P Rating of such Reference Entity Obligation shall equal such rating; (b) if no senior unsecured rating exists but there is a senior secured obligation of the issuer, then the S&P Rating of such Reference Entity Obligation shall be one subcategory below such rating if such Reference Entity Obligation is a senior secured obligation; (c) if (a) and (b) do not apply but there is a rating on a subordinated obligation of the issuer, then the S&P Rating of such Reference Entity Obligation shall be one subcategory above such rating if such rating is higher than "BB+," and shall be two subcategories above such rating if such rating is "BB+" or lower;
- (iv) if (1) neither the Reference Entity nor any of its affiliates is subject to reorganization or bankruptcy proceedings and (2) no debt securities or obligations of the Reference Entity have been in default during the past two years, the S&P Rating of such Reference Entity Obligation will be "CCC-";
- (v) if there is no S&P Issuer Credit Rating published by S&P and such Reference Entity Obligation is not rated by S&P, and Party A does not obtain an S&P Rating for such Reference Entity Obligation pursuant to subclause (ii) above, then the S&P Rating of such Reference Entity Obligation may be determined using any one of the methods provided below:
  - (a) if such Reference Entity Obligation is publicly rated by Moody's, then the S&P Rating of such Reference Entity Obligation will be (A) one subcategory below the S&P equivalent of the rating assigned by Moody's if such Reference Entity Obligation is rated "Baa3" or higher by Moody's and (B) two subcategories below the S&P equivalent of the rating assigned by Moody's if such Reference Entity Obligation is rated "Ba1" or lower by Moody's; provided that the aggregate of the Floating Rate Payer Calculation Amounts of the Reference Entities whose S&P Rating of their obligations is determined based on a rating assigned by Moody's as provided in this subclause (v)(a) may not exceed 20% of the Reference Portfolio Notional; or
  - (b) if such Reference Entity Obligation is not publicly rated by Moody's but a security with the same ranking (a "**parallel security**") is rated by Moody's, then the S&P Rating of such parallel security will be determined in accordance with the methodology set forth in subclause (a) above, and the S&P Rating of such Reference Entity Obligation will be determined in accordance with the methodology set forth in clause (iii) above (for such purposes treating the parallel security as if it were rated by S&P at the rating determined pursuant to this subclause (b)); or
- (vi) if the Reference Entity Obligation has not been assigned an S&P Rating pursuant to clauses (i) through (v) above, the S&P Rating of such Reference Entity Obligation will be "CCC-."

**"S&P Scenario Loss Rate"** means, as of any date, an estimate of the cumulative loss rate, given an AAA rating, for the pool of Reference Obligations included in the Reference Entity Portfolio and as amended from time to time, determined by application of the S&P CDO Evaluator at such time.

**"S&P SROC Test"** means, at any time, the SROC percentage calculated by the S&P CDO Evaluator in accordance with the formula below.

$$SROC = \left( \frac{A - BA}{A - (D + EA)} \right)$$

Where:

- A = the aggregate of the Floating Rate Payer Calculation Amounts of each Reference Entity in the Reference Entity Portfolio;
- B = the S&P Scenario Loss Rate, as calculated by the S&P CDO Evaluator;
- D = the greater of (a) the Subordination Amount minus the aggregate of all Cash Settlement Amounts and (b) zero;
- E = S&P Dynamic Enhancement Percentage, where applicable.

**"S&P Recovery Rates"** means, with respect to each country specified in the table below, the percentage contained in the relevant column alongside the name of such country:

<b>Recovery Rate</b>			
<b>Country Code</b>	<b>Country</b>	<b>Senior Unsecured</b>	<b>Subordinated</b>
11	North America Secured <sup>1</sup>	40%	NA
12	North America Short <sup>2</sup>	52.5%	NA
SOV	All Sovereigns	20.0%	5.0%
61	Australia	24.3%	10.0%
43	Austria	27.9%	10.0%
32	Belgium	26.1%	10.0%
441	Bermuda	32.4%	10.0%
441-I	Bermuda-Ins	10.0%	5.0%
2	Canada	33.3%	10.0%
86	China	14.4%	5.0%
45	Denmark	27.9%	10.0%
358	Finland	27.9%	10.0%
33	France	26.1%	10.0%
49	Germany	30.6%	10.0%
30	Greece	26.1%	10.0%
852	HongKong	20.0%	5.0%
62	Indonesia	10.4%	5.0%
353	Ireland	32.4%	10.0%
39	Italy	26.1%	10.0%
81	Japan	13.5%	5.0%
352	Luxembourg	26.1%	10.0%

<sup>1</sup> Refer to S&P for Secured recovery rates with respect to countries outside North America

<sup>2</sup> Refer to S&P for Short recovery rates with respect to countries outside North America

60	Malaysia	14.4%	5.0%
31	Netherlands	30.6%	10.0%
64	New Zealand	24.3%	10.0%
47	Norway	27.9%	10.0%
63	Phillipines	10.4%	5.0%
351	Portugal	26.1%	10.0%
65	Singapore	20.0%	5.0%
82	South Korea	14.4%	5.0%
34	Spain	26.1%	10.0%
46	Sweden	27.9%	10.0%
41	Switzerland	30.6%	10.0%
886	Taiwan	14.4%	5.0%
66	Thailand	14.4%	5.0%
44	United Kingdom	32.4%	10.0%
1	USA	33.3%	10.0%
213	Algeria	8.0%	3.0%
54	Argentina	8.0%	3.0%
973	Bahrain	8.0%	3.0%
246	Barbados	8.0%	3.0%
55	Brazil	8.0%	3.0%
359	Bulgaria	8.0%	3.0%
56	Chile	8.0%	3.0%
57	Colombia	8.0%	3.0%
506	Costa Rica	8.0%	3.0%
385	Croatia	8.0%	3.0%
357	Cyprus	8.0%	3.0%
420	Czech Republic	8.0%	3.0%
809	Dominican Republic	8.0%	3.0%
593	Ecuador	8.0%	3.0%
20	Egypt	8.0%	3.0%
503	El Salvador	8.0%	3.0%
372	Estonia	8.0%	3.0%
233	Ghana	8.0%	3.0%
502	Guatemala	8.0%	3.0%
36	Hungary	8.0%	3.0%
354	Iceland	8.0%	3.0%
91	India	8.0%	3.0%
972	Israel	8.0%	3.0%
876	Jamaica	8.0%	3.0%
8	Kazakhstan	8.0%	3.0%
961	Lebanon	8.0%	3.0%
370	Lithuania	8.0%	3.0%
356	Malta	8.0%	3.0%
52	Mexico	8.0%	3.0%
212	Morocco	8.0%	3.0%
968	Oman	8.0%	3.0%
507	Panama	8.0%	3.0%
51	Peru	8.0%	3.0%
48	Poland	8.0%	3.0%
974	Qatar	8.0%	3.0%
40	Romania	8.0%	3.0%

7	Russia	8.0%	3.0%
421	Slovak Republic	8.0%	3.0%
386	Slovenia	8.0%	3.0%
27	South Africa	8.0%	3.0%
216	Tunisia	8.0%	3.0%
90	Turkey	8.0%	3.0%
380	Ukraine	8.0%	3.0%
598	Uruguay	8.0%	3.0%
58	Venezuela	8.0%	3.0%
84	Vietnam	8.0%	3.0%

**Additional Recovery Rate Haircuts:**

European Corporate Insurance: 10%

Western European Sovereign: 10%

## Part Two

The provisions of this Part Two of the Trading Criteria Appendix shall be satisfied with respect to any Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal to which such provisions apply.

### A. Criteria

With respect to any Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal, the MM Test shall be satisfied.

For the purpose of determining compliance with the MM Test:

- (i) the Moody's CDOROM™ shall be applied in accordance with the Manage-to-Model Moody's CDOROM™ Guidelines (the "**Guidelines**") set out in section B below; and
- (ii) compliance with the MM Test shall be determined as set out in section C below, provided that such compliance must be verified by RCM Capital Management LLC ("**RCM Capital**"). No Substitution, Short/Long Addition or Short/Long Removal or Automatic Removal may take place unless and until Moody's has confirmed that using the services of RCM Capital as aforesaid will not adversely affect or cause the withdrawal of the rating of the Notes by Moody's. If any other person is appointed to verify compliance with the MM Test, such appointment shall be at the cost of Party A.

### B. Manage-To-Model Moody's CDOROM™ Guidelines

No reference data (on the "RefData" worksheet) in Moody's CDOROM™ Model version 2.1 ("**Moody's Model**") may be changed, unless expressly permitted by the Guidelines. Do not fill in the information in any fields or check any check boxes in the model unless directed otherwise by the Guidelines. Enter all amounts in dollars (to the nearest whole dollar).

The input information relating to each Reference Entity is to be determined pursuant to Moody's RefMaster. If such information is not available for the Reference Entity through Moody's RefMaster, then market sources should be used. If input information is determined otherwise than pursuant to the Moody's RefMaster, such input information shall be reported to Moody's.

#### **In the "Calculation Tab":**

1. Choose Test 2 the box "Model used by a Portfolio Manager".
2. Choose CDO<sup>1</sup> in "Type of CDO" field.
3. Check the box "Advanced Modelling Options".
4. Choose "Random/Fixed per entity" in Recovery Type field.
5. Enter 4,000,000 in the "Nb Simulations" field.
6. Enter the current swap rate closest in time-to-maturity to the Scheduled Termination Date in "Swap Rate" field.
7. Check the box "Add Extra Stress on DP" – to apply additional default probability stresses per specific Reference Entity types as described herein.
8. Check the box "Add Extra Haircut on RR" – to apply additional recovery rate stresses per specific Reference Entity types as described herein.
9. Enter, as a percentage, the quotient of the Floating Payment Limit minus the aggregate of all Cash Settlement Amounts and the Reference Portfolio Notional minus the Aggregate Loss Amount plus the total notional amount with respect to all Short Reference Entities in

the "Notional Size %" field<sup>3</sup>. Note that if a Credit Event has occurred but the final Settlement has not taken place, for the purpose of running the Moody's Model to determine the compliance with Moody's CDOROM Test, assume that the Reference Obligation with respect to which a Credit Event occurred should be written down by 100%.

10. Enter, as a percentage, the quotient of the current Subordination Amount and the Reference Portfolio Notional minus the Aggregate Loss Amount plus the total notional amount with respect to all Short Reference Entities in the "CE (Attachment Point)" field<sup>4</sup>. Note that if a Credit Event has occurred but the final settlement has not taken place, for the purpose of running the Moody's Model to determine the compliance with Moody's CDOROM Test, assume that the Reference Obligation with respect to which a Credit Event occurred should be written down by 100%.
11. Enter number of years (with fractions, if applicable, using an appropriate day count fraction) from the measurement date to the Scheduled Termination Date in the "Asset Pool Mat. (yrs)" field.
12. Enter Aa1 in the "Initial / Target Rating" field.
13. Enter 0.80% in "Spread" fields.
14. Enter the linearly interpolated Moody's Idealized Cumulative Default Rate associated with the greater of the weighted average life of the Collateral Assets or five years in "Additional EL" field.

Weighted Average Life	0	1	2	3	4	5
Moody's Idealised Default Rate	0.0000%	0.0001%	0.0002%	0.0007%	0.0018%	0.0029%

15. In the table "Credit Event Definition", confirm that the appropriate Credit Events are applied to each type of Reference Entity (using the appropriate Entity Type Annex within the Entity Type Appendix to this Confirmation). Enter each Reference Entity's name and applicable Credit Events in this list if the Credit Events according to the Reference Entity's region, country or sector do not apply.

**In the "Portfolio(s)" tab**

16. In the "Reference Entity" column, without duplication, enter the entire universe of Reference Entities that appear in the Reference Entities Appendix to this Confirmation.
17. In the "Amount" column, enter the appropriate notional amount for each Reference Entity in USD. Note that if a Credit Event has occurred but the final Settlement did not take place, for the purpose of running the Moody's Model to determine the compliance with Moody's CDOROM Test, assume that the Reference Obligation with respect to which an Event of Default occurred should be written down by 100% i.e. such Reference Entity should be removed from the list of Reference Entities. A Short Reference Entity should be entered as a negative notional amount.

<sup>3</sup> Notional Size = 
$$\frac{\text{Floating Payment Limit} - \text{aggregate Cash Settlement Amounts}}{\text{Reference Portfolio Notional} - \text{Aggregate Loss Amount} + \text{notional Short Reference Entities}}$$

<sup>4</sup> CE% (Attachment Point) = 
$$\frac{\text{current Subordination Amount}}{\text{Reference Portfolio Notional} - \text{Aggregate Loss Amount} + \text{notional Short Reference Entities}}$$



18. In the "SU Rating" column, enter the Moody's Rating (as defined in this Confirmation) for each Reference Entity.
19. In the "RO Seniority" column, enter SU/SB according with the seniority of the Reference Obligation. SU =Senior or Secured and SB = Subordinated.
20. In the "Industry Code" column, enter the Moody's industry code for the Reference Entity.
21. In the "ISO/Country" column, enter the domicile country of the Reference Entity and domicile country shall be determined by reference to the Entity Type of the relevant Reference Entity.
22. In the "Add Dp Stress" enter the appropriate default probability stress if applicable (see "Additional Default Probability Stress" below).
23. In the "Add RR Haircut" enter appropriate haircut (see "Additional Recovery Rate Haircuts" below).

**In "Calculation" tab**

24. Press "Run Simulation" button.
25. The Discounted Expected Loss will be reported in the "Discounted EL" fields. The result will be reported as "Pass" or "Fail" in the field "Test 2 Result".

**Additional Default Probability Stress:**

Short Reference Entity: Enter the negative of the Unadjusted DP Stress Applied for "Add Dp Stress" for the Short Reference Entity. The Unadjusted Stress Applied to the Short Reference Entity is determined as follows. On the Portfolio(s) worksheet, enter 0% in the column labelled "Add Dp Stress" for each Short Reference Entity. Click on the "Show Data" button. The Unadjusted DP Stress Applied to a Short Reference Entity is the number in the column labelled "DP Stress Applied" for that Short Reference Entity.

**Additional Recovery Rate Haircuts:**

Monoline Reference Entity: 100%

Surplus Note Reference Entity: 95%

Secured: -11.11% (Enter only if the Reference Entity is a senior secured obligation with a Moody's Rating that is at least one notch higher than the senior unsecured rating assigned or applicable to such Reference Entity)

Short Reference Entity: Enter twice the negative of the Unadjusted RR Haircut Applied for "Add RR Haircut" for the Short Reference Entity. The Unadjusted RR Haircut Applied to the Short Reference Entity is determined as follows. On the Portfolio(s) worksheet, enter 0% in the column labelled "Add RR Haircut" for each Short Reference Entity. Click on the "Show Data" button. The Unadjusted RR Haircut Applied to a Short Reference Entity is the number in the column labelled "Total RR Haircuts (CE ,Extra)" for that Short Reference Entity.

**C. Determining Compliance with MM Test**

Compliance with the MM Test shall be determined as set out below.

1. Verify that "Yes - Test 2" is selected for "Model used by a Portfolio Manager" field under the Calculation tab as instructed above.

2. Verify that the initial Moody's rating Aa1 is entered into the "Initial / Target Rating" field under the Calculation tab as instructed above.
3. Run Moody's Model in the Calculation tab with:
  - a. the Reference Entity Portfolio as it was comprised prior to the proposed trade (including updating the Reference Entity Portfolio "Amounts" and "SU Rating" to reflect the status of the portfolio immediately prior to the proposed trade); and
  - b. the "CE (Attachment Point)" as it was prior to the removal of the Removed Reference Entity/Entities from the Reference Entity Portfolio.
4. Record current MM obtained from "Post-trade MM" field from step 3 in the "Pre-trade MM" field of the model.
5. Amend the Reference Entity Portfolio on the portfolios tab to give effect to all proposed Substitution(s) and new proposed "CE (Attachment Point)" and run Moody's Model.
6. If the Pre-Trade MM (which appears in the "Pre-trade MM" field) is less than or equal to the Hurdle MM (which appears in the "Hurdle MM" field) + 6; and
7. If Post-Trade MM (which appears in the "Post-trade MM" field) is less than or equal to:
  - a. Hurdle MM + 3; or
  - b. Pre-Trade MM,

then the Moody's CDOROM Test is passed and the Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal may be made and the Subordination Amount adjusted in accordance with this Confirmation. If not, then the Moody's CDOROM Test is failed and the proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal cannot be made and the Subordination Amount must not be adjusted.

Both the Portfolio Manager and Party A will certify that the Moody's CDOROM Test and all other criteria are in compliance after giving effect to any proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal.

### **Credit Event Treatment**

Upon an Event Determination Date, but prior to the related Cash Settlement Date, the entire Floating Rate Payer Calculation Amount of the Reference Obligation shall be deemed to be zero and hence effectively removed from the Reference Entity Portfolio. The Subordination Amount should be reduced commensurately.

### **D. Reporting**

Moody's will receive a monthly report of all results from the Moody's CDOROM Test, to be delivered in electronic form and include the following:

1. For Substitution(s):
  - (i) Type: Addition / Removal (assume a substitution consists of two or more removal and addition entry)
  - (ii) Initial and Current Rating: (if public)

- (iii) Pre-Trade MM to four decimal places
  - (iv) Post-Trade MM to four decimal places
  - (v) CDS Fixed Rate [X]yr (i.e. bid/offer of trade, where X is the relevant term for the trade)
  - (vi) Reference Entity Position change +/- [X.00]%
2. For Substitution(s) that are conducted in 'Breach' or 'Violation' of the Trading Criteria (to be reported in a separate section but in the same manner as the above trades):
- (i) whether the entity satisfies any of the Trading Criteria on its addition and, if the Trading Criteria was not satisfied at such time, the extent of the violation of the relevant thresholds and amounts calculated pursuant thereto.
  - (ii) Type of Trade: Addition / Removal (assume a substitution consists of two or more removal and addition entry)
  - (iii) Reason: Breach/Correction
  - (iv) Initial and Current Rating: (if public)
  - (v) CDS Fixed Rate [X]yr (i.e. bid/offer of trade, where X is the relevant term for the trade)
  - (vi) Pre-Trade MM
  - (vii) Post-Trade MM

## **E. Definitions**

In this Part Two to the Trading Criteria Appendix, the following terms shall bear the following meanings:

**"Credit Enhancement"**: Input No. 21 if the figure is specified as a percentage, or Input No. 21b if the figure is specified as a nominal amount (currency) in the same units as the portfolio exposures. If Input No. 21 is to be used, click "Enter amounts as percentages" in Input 100, otherwise to use Input No. 22 click "Enter amounts in currency" in Input No. 100. Credit enhancement level should NOT be reduced by losses as the defaulted entity will remain in the Reference Entity Portfolio and its effects captured.

**"Current MM"** means the Moody's Metric obtained when Running Moodys Model. (Output No. 7).

**"Hurdle MM"** means the initial assigned rating hurdle for this transaction expressed as a Moody's Metric (Output No 11), being 2.

**"Moody's CDOROM™"** means, the model licensed by Moody's to Party A, as may be modified, updated or replaced by Moody's from time to time and notified to Party A, and run in accordance with the Guidelines. As at the Effective Date, the Moody's CDOROM™ is v 2.1 but, if new versions of the Moody's CDOROM™ are produced, the term Moody's CDOROM™ shall at such time (subject to the approval of Moody's) mean the latest such version, including all of the new features that such a version supports.

"**Moody's CDOROM™ Inputs**" means all inputs as described on the "Inputs Description" sheet of the Moody's CDOROM™ Model and "Input No. {x}" means a Moody's Input as described on the "Inputs Description" sheet of the Moody's Model.

"**Moody's CDOROM™ Input**" means a single, numbered input as described on the "Inputs Description" sheet of the Moody's CDOROM™ Model.

"**Moody's CDOROM™ Model**" means the Moody's CDOROM™.

"**Moody's CDOROM Test**" or "**MM Test**" means Moody's CDOROM™ Test 2.

"**Moody's CDOROM™ Test 2**" means "TEST 2" as specified via Moody's Input No 2 and is applicable. The Moody's CDOROM™ Test 2 is in compliance if, once the proposed portfolio information has been input (as specified by the Moody's CDOROM Inputs) shows "PASS".

"**Moody's Metric**" or "**MM**" means the numerical equivalent of an alpha-numeric rating deduced from the Tranche Expected loss and Tranche Weighted Average Life. The MM measure is time independent. All MMs are output by the model where necessary.

"**Moody's Model**" means the licensed Moody's CDOROM(tm) model in the form provided by Moody's, and as it may be updated by Moody's from time to time and notified to the Portfolio Manager for use in connection with this transaction.

"**Moody's Rating**" means, with respect to any Reference Entity and as of any date of determination:

- (a) if (i) the senior, unsecured, long-term debt of such Reference Entity is rated by Moody's, such rating, or (ii) the senior, unsecured, long-term debt of such Reference Entity is not rated by Moody's, but Party A has requested that Moody's assign a rating to such Reference Entity, the rating so assigned by Moody's;
- (b) if the senior, unsecured, long-term debt of such Reference Entity is not rated by Moody's but another security or obligation of the Reference Entity is rated by Moody's (the "**Rated Obligation**", with its rating being the "**Obligation Rating**") and:
  - (i) the Rated Obligation is a senior, unsecured obligation of the Reference Entity, the Obligation Rating;
  - (ii) if the Rated Obligation is an unsecured, subordinated obligation of the Reference Entity and does not fall within paragraph (iii) below, then:
    - (A) if the Obligation Rating is "B3" or higher, one subcategory above the Obligation Rating;
    - (B) otherwise, the Obligation Rating;
  - (iii) if the Rated Obligation is an unsecured subordinated obligation (other than a bank loan) with a monitored public rating from S&P (without any postscripts, asterisks or other qualifying notations, that addresses the full amount of principal and interest promised), the explicit rating for the obligation shall be deemed to be:
    - (A) one rating subcategory below the Moody's equivalent of such S&P rating if it is "BBB-" or higher; or
    - (B) two rating subcategories below the Moody's equivalent of such S&P rating if it is "BB+" or lower,

and the Moody's Rating shall be determined pursuant to clause (b)(ii) above;

- (iv) if the Rated Obligation is a senior, secured obligation of the Reference Entity, then:
  - (A) if the Obligation Rating is "Caa3" or higher, the one subcategory below the Obligation Rating;
  - (B) otherwise, "C"; or
- (c) if such Reference Entity is not rated by Moody's, and no other security or obligation of the Reference Entity is rated by Moody's, then such rating as may be determined in accordance with one of the sub-paragraphs below (provided that Party A may apply to Moody's for a rating estimate for such Reference Entity which shall be its Moody's Rating):
  - (i) if such Reference Entity is rated by S&P (the S&P issuer credit rating for the Reference Entity being referred to as the "**S&P Reference Entity Rating**"), then,
    - (A) if the S&P Reference Entity Rating is "BBB-" or higher, the Moody's Rating of such Reference Entity will be one subcategory below the Moody's equivalent of the S&P Reference Entity Rating; or
    - (B) if such rating is "BB+" or lower, the Moody's Rating of such Reference Entity will be two subcategories below the Moody's equivalent of the S&P Reference Entity Rating;
  - (ii) if such Reference Entity is not rated by S&P but has a security or obligation (other than a bank loan) with a monitored public rating from S&P (without any postscripts, asterisks or other qualifying notations, that addresses the full amount of principal and interest promised) (the "**S&P Rated Obligation**", with its S&P rating being referred to as the "**S&P Obligation Rating**"), then,
    - (A) subject to subparagraph (B) below, the Moody's equivalent rating of such S&P Rated Obligation (the "**Moody's Equivalent Obligation Rating**") shall be determined in accordance with the methodology set forth in subparagraph (c)(i) above as if the references therein to "S&P Reference Entity Rating" were substituted for references to the "S&P Obligation Rating";
    - (B) if the S&P Rated Obligation is a subordinated obligation (other than a bank loan) with a monitored public rating from S&P (without any postscripts, asterisks or other qualifying notations, that addresses the full amount of principal and interest promised), the explicit rating for the obligation shall be deemed to be (i) one rating subcategory below the Moody's equivalent of such S&P rating if it is "BBB-" or higher; or (ii) two rating subcategories below the Moody's equivalent of such S&P rating if it is "BB+" or lower (such rating, the "**Deemed Rating**") and the Moody's Rating shall be determined pursuant to the methodology set out in clause (b)(ii) above (notwithstanding that the Rated Obligation is not rated by Moody's) and, for these purposes, the Obligation Rating referred to therein shall be the Deemed Rating;
    - (C) the Moody's Rating of the Reference Entity shall be determined in accordance with the methodology set forth in subparagraph (b) above as if the references therein to the "Obligation Rating" were substituted for references to the "Moody's Equivalent Obligation Rating";
- (d) notwithstanding the foregoing, if any Reference Entity shall be listed for a possible downgrade or upgrade on Moody's then current credit rating watch list, then the Moody's Rating of such Reference Entity shall be one subcategory below or one subcategory above, respectively, the rating then assigned to such Reference Entity by Moody's, provided that, if such Reference Entity is removed from such list at any time, it shall be deemed to have its actual rating by Moody's; and

- (e) notwithstanding the foregoing, if the rating of the Reference Entity shall be derived pursuant to sub-Section (c) above, and is listed for a possible downgrade or upgrade on S&P's then current credit rating watch list, then the S&P Reference Entity Rating of such Reference Entity shall be one subcategory below or one subcategory above, respectively, the rating then assigned to such item by S&P, provided that, if such Reference Entity is removed from such list at any time, it shall be deemed to have its actual rating by S&P.

**"Moody's RefMaster"** means the "RefMaster" file provided by Moody's and any successor thereto.

**"Output No. {x}"** means a Moody's Output as described on the "Outputs Description" sheet of the Moody's Model.

**"Post-Trade MM"** The Moody's Metric obtained post trade (Output No. 12).

**"Pre-Trade MM"** The pre-trade Moody's Metric input obtained in step (4) of the test (Input No. 58).

**"Run[ning] Moodys Model"** means entering model parameters according to those specified in Moody's Inputs and the User Guide and clicking on Input No. 1 "Run Simulation".

**"User Guide"** means the CDOROM User Guide dated 28 June 2005 (as it may be amended or substituted from time to time by Moody's and notified to the Portfolio Manager).

## FORM OF CONFIRMATION OF RATE SWAP TRANSACTION

Magnolia Finance VI plc  
5 Harbourmaster Place  
Dublin 1  
Ireland

12 October 2005

Dear Sirs,

### Confirmation – Rate Swap Transaction – Magnolia Finance VI plc - Series 2005-2

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Swap Transaction entered into on the Trade Date specified below between Credit Suisse, Cayman Islands Branch (“**Party A**”) and Magnolia Finance VI plc a company incorporated with limited liability in Ireland (“**Party B**”) (the “**Transaction**”).

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a “Confirmation” as referred to in, and supplements, forms part of and is subject to, the ISDA Master Agreement and Schedule entered into by Party A and Party B by virtue of their entering into the Constituting Instrument dated 12 October 2005 in relation to the Notes referred to below (the “**Agreement**”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Words and expressions defined in the Terms and Conditions (as the same may be amended, modified or supplemented from time to time, the “**Terms and Conditions**”) of Party B’s Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010 (the “**Notes**” or the “**Series**”) or, if not so defined, defined in the Portfolio Management Agreement (as defined below) shall bear the same meanings in this Confirmation and in the event of any inconsistency between words and meanings defined in the Terms and Conditions of the Notes or in the Portfolio Management Agreement and words and expressions defined in this Confirmation, this Confirmation will govern.

Pursuant to a Portfolio Management Agreement (the “**Portfolio Management Agreement**”) dated on or about the date of this Confirmation between, among others, Party A, Party B and Caywood-Scholl Capital Management LLC (the “**Portfolio Manager**”), Party B is obliged to pay the Portfolio Manager certain Management Fees from time to time in connection with the functions performed by the Portfolio Manager under the Portfolio Management Agreement.

Party A and Party B have also entered into a credit swap transaction (the “**Credit Swap Transaction**”) relating to the Notes dated 12 October 2005.

The terms of the Transaction to which this Confirmation relates are as follows:

### General Terms

Trade Date: 04 August 2005

Effective Date: 12 October 2005

Termination Date: The earlier of (i) the Scheduled Maturity Date or, if any Collateral Assets are outstanding and the Calculation Agent determines that a non-principal payment will become due after the Scheduled Maturity Date in respect of the Collateral Assets and a period which commenced prior to the Scheduled Maturity Date, the last of the relevant payment date(s) in respect of each of such non-principal payment (the “**Further Charged Assets Payment Date**”) and (ii) the Call Date or, if an Unsettled Credit Event (as defined in the Terms and Conditions of the Notes) exists on such Call Date, the third Business Day following the relevant Suspension Period End Date (as defined in the Terms and Conditions of the Notes).

**Floating Amounts – Party A:**

Floating Rate Payer: Party A

Floating Rate Payer Calculation Amount: With respect to each Floating Rate Payer Calculation Period, the aggregate of the Calculation Amounts in respect of each Note as determined in accordance with the Conditions of the Notes for the Interest Period which corresponds to such Floating Rate Payer Calculation Period.

Floating Rate Payer Payment Dates: Same dates as Interest Payment Dates under the Notes, provided that Floating Rate Payer Payment Dates and the payment of Floating Amounts shall be subject to deferral and part payment in the same manner and in the same circumstances contemplated with respect to payments of Interest Amounts in the Conditions of the Notes, as determined by the Calculation Agent (and notwithstanding Section 4.9 of the 2000 Definitions, the Termination Date shall not be a Payment Date unless such date is also the Scheduled Maturity Date).

Floating Rate Option: USD-LIBOR-BBA

Designated Maturity: 3 months, save that with respect to the Calculation Period commencing on,



and including, the Effective Date to, but excluding, 20 December 2005, a linear interpolation of two months and three months shall be used.

Floating Rate Payer Day Count Fraction: Actual/360

Spread: None.

Reset Date: The first day of each Calculation Period.

Business Days: London and New York.

Additional Floating Amounts: Party A shall pay to Party B amounts equal to each Management Fee payable by Party B pursuant to the Portfolio Management Agreement. Such amounts shall be payable on each relevant Management Fee Payment Date and shall, unless otherwise directed by Party B and the Trustee, be paid directly to the Portfolio Manager in satisfaction of Party A's obligation to pay the Additional Floating Amounts due hereunder.

**Fixed/Floating Amounts– Party B:**

Fixed/Floating Rate Payer: Party B. Party B shall pay each Fixed/Floating Amount on the relevant Fixed/Floating Rate Payer Payment Date and each Additional Fixed/Floating Amount on each relevant Additional Fixed/Floating Rate Payer Payment Date.

Fixed/Floating Amounts: An amount equal to (i) each non-principal amount paid to or for the account of the Issuer or the Trustee in respect of any of the Charged Assets (other than those Charged Assets comprising cash standing to the credit of the Cash Account from time to time) in accordance with the terms of the Charged Assets and (ii) each amount of interest paid to or for the account of the Issuer or the Trustee in respect of any Fixed Deposit in accordance with the terms of such Fixed Deposit.

Fixed/Floating Rate Payer Payment Dates: In relation to Fixed/Floating Amounts in respect of the Charged Assets, each Charged Assets Payment Date and, in

relation to Fixed/Floating Amounts in respect of any Fixed Deposit, each Fixed Deposit Payment Date (and, notwithstanding Section 4.9 of the 2000 Definitions, the Termination Date shall not be a Payment Date unless such date is also a Charged Assets Payment Date or a Fixed Deposit Payment Date).

**Charged Assets Payment Dates:**

Each date up to and including the Scheduled Maturity Date on which any non-principal amount paid on the Charged Assets in accordance with the terms of the Charged Assets is credited to the Cash Account.

**Fixed Deposit Payment Date:**

Each date up to and including the Scheduled Termination Date of the Credit Swap Transaction on which any non-principal amount paid on any Fixed Deposit in accordance with the terms of such Fixed Deposit is credited to the Cash Account.

**Additional Fixed/Floating Amounts:**

An amount equal to each non-principal amount paid after the Scheduled Maturity Date up to and including the Further Charged Assets Payment Date to or for the account of the Issuer or the Trustee in respect of the Charged Assets in accordance with the terms of the Charged Assets multiplied by the fraction the numerator of which is the number of days in the period to which such non-principal amount relates up to but excluding the Scheduled Maturity Date and the denominator of which is the number of days in the period to which such non-principal amount relates from and including the first day of such period to but excluding the Further Charged Assets Payment Date.

**Additional Fixed/Floating Rate Payer Payment Date(s):**

The Further Charged Assets Payment Date.

**Interim Exchange:**

**Interim Exchange Date(s) I:**

(i) Each date notified by Party A to Party B as an Interim Exchange Date I by not less than 2 Business Days prior notice to Party B and (ii) the

Scheduled Maturity Date.

Party B Interim Exchange Amount(s) I:

An amount equal to the greater of (i) zero and (ii) (x) the balance standing to the credit of the Cash Account as at open of business in London on the Interim Exchange Date I in question minus (y) the greater of (a) zero and (b) the Aggregate Outstanding Principal Amount as at such time minus the aggregate of the outstanding principal amounts of, or balances standing to the credit of, all Collateral Assets other than the Cash Account as at such time.

Interim Exchange Date(s) II:

Each date on which the Custodian applies on behalf of Party B all or part of any amounts credited to the Cash Account towards the purchase of Eligible Collateral Assets in accordance with Additional Provision (H) of the Notes.

Party A Interim Exchange Amount II:

An amount in USD equal to the greater of (i) (a) the all-in purchase price of the relevant Eligible Collateral Assets *less* (b) the balance standing to the credit of the Cash Account as at close of business on the second Business Day preceding the Interim Exchange Date II in question and (ii) zero.

Party B shall procure that the Custodian shall notify Party A and the Calculation Agent of the balance standing to the credit of the Cash Account and the outstanding principal amounts of, or balances standing to the credit of, all other Collateral Assets from time to time promptly on request of Party A to the Custodian.

Calculation Agent:

Credit Suisse First Boston International

**Notice and Account Details**

(i) Details for Notices

Telephone, Telex and/or Facsimile Numbers and Contact Details

Party A:

Credit Suisse, Cayman Islands Branch  
c/o Credit Suisse First Boston International  
One Cabot Square

London  
E14 4QJ

Attn: Synthetic CDO Desk, Kareem Serageldin  
Fax: +44 207 890 2317

With copies to:  
General Counsel – Legal and Compliance Department  
Fax: +44 20 7888 2686

and:  
Operations Department – Credit Derivatives Group  
Tel: +44 20 7888 3114  
Fax: +44 20 7888 7912

Party B: Magnolia Finance VI plc  
5 Harbourmaster Place  
Dublin 1  
Ireland  
  
Tel: +353 1 680 6000  
Fax: +353 1 680 6050  
Attn: The Directors

(ii) Account Details

Account Details of Party A: *To be advised*

Account Details of Party B: HSBC USA (MRMDUS33)  
For HSBC London (MIDLGB22)  
Magnolia Finance VI plc – Series 2005-2  
Account: 59430380

**Office**

Party A is a Multibranch Party and is acting through its Cayman Islands branch for purposes of this Credit Derivative Transaction.

Party B is not a Multibranch Party.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours faithfully

**Credit Suisse, Cayman Islands Branch**

By:  
Name:  
Title:

Agreed and accepted by:

**Magnolia Finance VI plc**

By:

Name:

Title:

## SUMMARY OF PORTFOLIO MANAGEMENT AGREEMENT

*The following is a summary only of certain provisions contained in the Portfolio Management Agreement dated 12 October 2005 between the Issuer, the Portfolio Manager, the Trustee, the Counterparty and the Calculation Agent (the “**Portfolio Management Agreement**”) and is qualified in its entirety by the detailed terms of the Portfolio Management Agreement.*

### **Substitutions and Additions and Removals of Short/Long Pairs**

Under the Portfolio Management Agreement, the Issuer appoints and gives the Portfolio Manager full authority to act as Portfolio Manager for the Issuer in connection with the Reference Entity Portfolio which is referenced by the Credit Swap Transaction for the purposes of performing certain management functions, including, without limitation, proposing the composition of the initial Reference Entity Portfolio in respect of the Credit Swap Transaction, the Substitution of Reference Entities in the Reference Entity Portfolio and the selection and removal or inclusion in the Reference Entity Portfolio of Short/Long Pairs and performing certain other administrative functions in connection therewith necessary to perform its duties as Portfolio Manager for the Issuer.

“**Short/Long Pair**” means a combination of:

- (a) an entity with respect to which the Credit Position (as defined in the confirmation relating to the Credit Swap Transaction) is, or is to be, a negative percentage (such percentage, the “**Short Credit Position**” and such entity a “**Short Reference Entity**”); and
- (b) an entity (i) with respect to which the Credit Position (as defined in the confirmation relating to the Credit Swap Transaction) is, or is to be, a positive percentage equal to the absolute value of the Short Credit Position and (ii) that it is proposed is added or was added (as the case may be) to the Reference Entity Portfolio on the same date and as part of the same pair as the Short Reference Entity;

“**Substitution**” means the removal of up to three substituted Reference Entities from the Reference Entity Appendix (as defined in the confirmation relating to the Credit Swap Transaction) and the replacement thereof in the Reference Entity Appendix with up to three replacement Reference Entities;

### **Resignation or Removal of Portfolio Manager**

The Portfolio Manager is appointed under the Portfolio Management Agreement until such time as it resigns or is otherwise removed. Subject as set out below, the Portfolio Manager may be removed for “cause” by the Issuer, the Trustee, the Counterparty or the holders of three quarters, by nominal amount, of the Notes upon 10 Business Days’ prior written notice to the Portfolio Manager, provided that a successor Portfolio Manager reasonably acceptable to the Issuer, the Trustee and the Swap Counterparty has been appointed in its place. As used above, the term “cause” means the occurrence of any one of the following events with respect to the Portfolio Manager: (i) it wilfully breaches, or wilfully violates, any provision of the Portfolio Management Agreement; (ii) it breaches any provision of the Portfolio Management Agreement, which breach has a material adverse effect on the interests of the Swap Counterparty and/or the Noteholders, and fails to cure such breach within 30 days after its becoming aware of, or of receiving notice from the Swap Counterparty or the Calculation Agent (in respect of breach by the Portfolio Manager) of, such breach; (iii) it is dissolved (other than pursuant to a consolidation, amalgamation or merger); (iv) it becomes insolvent or is unable to pay its debts as they fall due or fails or admits in writing its inability generally to pay its debts as they become due; (v) it makes a general assignment, arrangement or composition with or for the benefit of its creditors; (vi) it: (1) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy

or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition that results in a judgment of insolvency or bankruptcy or the making of an order for its winding-up or liquidation; or (2) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office a proceeding seeking judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official and such proceeding or petition is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (3) it has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (4) it seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official acting on behalf of a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, over it or all or substantially all of its assets; (5) it has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (6) it causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified above; (7) any of the Key Staff resign or are otherwise no longer employed by the Portfolio Manager; or (8) an act by it that constitutes fraud or a criminal felony offense in respect of its activities in performing its obligations under the Portfolio Management Agreement, or (in the case of the Portfolio Manager only) the indictment of any of the Portfolio Manager's managing directors who has direct supervisory responsibility for the Portfolio Manager's investment activities, and who continues to have such direct supervisory responsibility for the performance of the Portfolio Manager under the Portfolio Management Agreement for a period of 30 days after such indictment, for a criminal felony offence materially related to the management of investment grade corporate credits or collateralized debt obligations.

The Portfolio Manager may also resign upon 90 days' prior written notice to the Issuer, the Trustee, the Counterparty and the Calculation Agent, provided that a successor Portfolio Manager reasonably acceptable to the Issuer, the Trustee and the Swap Counterparty has been appointed in its place.

### **Trading Criteria**

To effect any Substitution or addition or removal of a Short/Long Pair, the Trading Criteria must be met. "Trading Criteria" means the criteria set out in each of (i) the Trading Criteria Appendix to the confirmation relating to the Credit Swap Transaction and (ii) the Reference Entity Criteria and Portfolio Criteria set out below:

### **Reference Entity Criteria**

If a proposed Reference Entity:

- (a) has a senior unsecured debt rating assigned by Moody's, such rating may not be less than "B3"; and
- (b) has a long term foreign currency issuer rating assigned by S&P, such rating may not be less than "B-"

as at the Substitution, Addition or Removal Date.

No Reference Entity may have a Credit Position equal to either (i) in the case of a Reference Entity other than a Short Reference Entity, more than one per cent. of the Reference Portfolio Notional or (ii) in the case of a Short Reference Entity, less than minus one per cent of the Reference Portfolio Notional.

A Reference Entity may not be a special purpose vehicle incorporated for the purpose of issuing asset-backed securities or an issuer of debt securities which are secured directly by, or represent ownership of, a specified pool of assets, including but not limited to consumer receivables, auto loans, auto leases, equipment leases, home and commercial mortgages, corporate debt or sovereign debt obligations.

No Reference Entity may be an emerging markets entity. For the purposes of this paragraph 1.4, "emerging markets entity" shall mean an entity that is incorporated in, or a Sovereign or Sovereign Agency (as defined in the 2003 ISDA Credit Derivatives Definitions) of, any country save for the following countries: any country within western Europe, the USA, Canada, Japan, Australia, New Zealand, Singapore, Hong Kong, the Bahamas, the Cayman Islands and Mexico.

A Reference Entity may not be a Short Reference Entity and a Reference Entity other than a Short Reference Entity at any one time.

With respect to each Substitution, the Credit Position of the Replacement Reference Entity (or, if there is more than one Replacement Reference Entity, the aggregate Credit Positions of such Replacement Reference Entities) must be the same as the Credit Position of the Substituted Reference Entity (or, if there is more than one Substituted Reference Entity, the aggregate Credit Positions of such Substituted Reference Entities).

No Reference Entity other than a Short Reference Entity may trade with an upfront amount under market standard credit default swaps, unless such Reference Entity on the date it was included as a part of the Reference Entity Portfolio traded under market standard credit default swaps on a spread basis.

Any credit default swap entered into in accordance with Schedule 3 pursuant to a Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal shall have a scheduled termination date that is the same as the Scheduled Termination Date of the CDS Transaction.

Neither the Swap Counterparty nor any of its Affiliates shall be a Reference Entity.

### ***Portfolio Criteria***

A proposed Substitution or Short/Long Addition shall not be made unless the Portfolio Change Criteria have been met on the proposed Substitution, Addition or Removal Date.

**"Portfolio Change Criteria"** means, with respect to a Substitution or a Short/Long Addition, that each of the following tests are satisfied:

- (i) the Reference Entity Maximum Spread Test: the Five Year Equivalent Spread in respect of the Replacement Entity or the entity the subject of a Short/Long Addition is less than or equal to three times the bid spread of the 5 year "On the Run" Dow Jones High Yield NA CDX index as at the proposed Substitution, Addition or Removal Date; and
- (ii) the Portfolio Maximum Short Exposure Test: following a proposed Short/Long Addition, the absolute value of the aggregate Credit Positions of all Short Reference Entities is not greater than 5% of the Reference Portfolio Notional.



**“Five Year Equivalent Spread”** means the product of (i) the Swap Counterparty Price with respect to the proposed Replacement Entity or entity the subject of a Short/Long Addition and (ii) the Scaling Factor.

**“Scaling Factor”** means:

- (i) 100%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 4 and 5 years;
- (ii) 110%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 3 and 4 years;
- (iii) 125%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 2 and 3 years;
- (iv) 150%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 1 and 2 years;
- (v) 200%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 0 and 1 years.

A proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal shall not be made if that Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal would lower the Modified Initial Weighted Average Spread of the Reference Entity Portfolio to below 1.80% (the **“Minimum Modified Initial Weighted Average Spread”**). If prior to a Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal, the Modified Initial Weighted Average Spread of the Reference Entity Portfolio is below the Minimum Modified Initial Weighted Average Spread, a proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal may only be made if it would increase the Modified Initial Weighted Average Spread of the Reference Entity Portfolio.

**“Modified Initial Weighted Average Spread”** means the weighted average mid market spreads of the Reference Entities in the Reference Entity Portfolio (including, for the avoidance of doubt, Short Reference Entities) as at the Effective Date of the CDS Transaction, as adjusted by:

- (a) with respect to each Replacement Reference Entity, Long Reference Entity or Short Reference Entity added to the Reference Entity Portfolio, the addition of the Initial Equivalent Spread of such entity; and
- (b) with respect to each Substituted Reference Entity, Long Reference Entity or Short Reference Entity removed from the Reference Entity Portfolio, the removal of the Initial Equivalent Spread of such entity,

as determined by the Swap Counterparty.

**“Initial Equivalent Spread”** means the product of (i) the Swap Counterparty Price with respect to the Replacement Reference Entity, Long Reference Entity or Short Reference Entity to be added or removed from the Reference Entity Portfolio and (ii) the Scaling Factor (as defined in paragraph 2.1 above);

1.1 A proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal shall not be made if that Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal would raise the Modified Initial Standard Deviation of Spreads of the Reference Entity Portfolio to above 1.18% (the **“Maximum Modified Initial Standard Deviation of Spreads”**). If prior to a Substitution, Short/Long Addition, Short/Long

Removal or Automatic Removal, the Modified Initial Standard Deviation of Spreads in the Reference Entity Portfolio is above the Maximum Modified Initial Standard Deviation of Spreads, a proposed Substitution, Short/Long Addition, Short/Long Removal or Automatic Removal may only be made if it would decrease the Modified Initial Standard Deviation of Spreads of the Reference Entity Portfolio.

**“Modified Initial Standard Deviation of Spreads”** means the standard deviation of spreads in the Reference Entity Portfolio as at the Effective Date of the CDS Transaction, as adjusted by:

(a) with respect to each Replacement Reference Entity, Long Reference Entity or Short Reference Entity added to the Reference Entity Portfolio, the addition of the Initial Equivalent Spread (as defined in paragraph 2.2 above) of such entity; and

(b) with respect to each Substituted Reference Entity, Long Reference Entity or Short Reference Entity removed from the Reference Entity Portfolio, the removal of the Initial Equivalent Spread (as defined in paragraph 2.2 above) of such entity,

as determined by the Swap Counterparty.

Only one Entity Type Annex may be specified as being applicable to a particular Reference Entity during the duration of the CDS Transaction, save that if a Reference Entity is removed from the Reference Entity Portfolio pursuant to a Substitution or Short/Long Removal and, at a later date, is added to the Reference Entity Portfolio pursuant to a Substitution or Short/Long Addition, upon the re-entry of such Reference Entity an Entity Type Annex other than the Entity Type Annex originally specified for such Reference Entity may be specified as being applicable to such Reference Entity.

## **Definitions**

**“Affiliate”** or **“Affiliated”** means with respect to a Person:

(a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person; or

(b) any other Person who is a director, officer or employee :

(i) of such Person;

(ii) of any subsidiary or parent company of such Person; or

(iii) of any Person described in sub-Section (a) above.

For the purposes of this definition, control of a Person shall mean the power, direct or indirect, (A) to vote more than 50% of the securities having ordinary voting power for the election of directors of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

**“Business Day”** means a day on which commercial banks are open for general business in London and New York.

**“Calculation Agent”** means Credit Suisse First Boston International, of One Cabot Square, London E14 4QJ.

**“CDS Confirmation”** means a swap confirmation dated 12 October 2005 confirming the CDS Transaction.

**“CDS Transaction”** means a credit default swap transaction (**“Credit Swap Transaction”**) between the Swap Counterparty and the Issuer, the terms of which are evidenced by the CDS confirmation.

**“Credit Position”** means, in respect of the CDS Transaction and each Reference Entity comprised in the related Reference Entity Portfolio, the percentage specified with respect to the CDS Transaction and Reference Entity in the Reference Entities Appendix to the CDS Confirmation.

**“Effective Date”** means, in respect of the CDS Transaction, the date specified as the “Effective Date” in the CDS Confirmation.

**“Entity Type”** means, in respect of each Reference Entity, the description set out under “Entity Type” in respect of such Reference Entity upon inclusion in the Reference Entities Appendix to the CDS Confirmation.

**“Five Year Equivalent Spread”** means the product of (i) the Swap Counterparty Price with respect to the proposed Replacement Entity or entity the subject of a Short/Long Addition and (ii) the Scaling Factor.

**“Initial Equivalent Spread”** means the product of (i) the Swap Counterparty Price with respect to the Replacement Reference Entity, Long Reference Entity or Short Reference Entity to be added or removed from the Reference Entity Portfolio and (ii) the Scaling Factor.

**“Initial Reference Entity Portfolio”** means, in respect of the CDS Transaction, the Reference Entity Portfolio set out in the Reference Entities Appendix to the CDS Confirmation as at 12 October 2005.

**“Issuer”** means Magnolia Finance VI plc, a public company with limited liability incorporated under the laws of Ireland, whose registered office is at 5 Harbourmaster Place, Dublin 1, Ireland.

**“Key Staff”** means each of the following people in their capacities as directors, employees or other staff of the Portfolio Manager: Eric K. Scholl, Thomas W. Saake and Kirk Maurer.

**“Long Reference Entity”** has the meaning ascribed to it in the definition of Short/Long Pair.

**“Modified Initial Standard Deviation of Spreads”** means the standard deviation of spreads in the Reference Entity Portfolio as at the Effective Date of the CDS Transaction, as adjusted by:

- (a) with respect to each Replacement Reference Entity, Long Reference Entity or Short Reference Entity added to the Reference Entity Portfolio, the addition of the Initial Equivalent Spread of such entity; and
- (b) with respect to each Substituted Reference Entity, Long Reference Entity or Short Reference Entity removed from the Reference Entity Portfolio, the removal of the Initial Equivalent Spread of such entity,

as determined by the Swap Counterparty.

**“Modified Initial Weighted Average Spread”** means the weighted average mid market spreads of the Reference Entities in the Reference Entity Portfolio (including, for the avoidance of doubt, Short Reference Entities) as at the Effective Date of the CDS Transaction, as adjusted by:

(a) with respect to each Replacement Reference Entity, Long Reference Entity or Short Reference Entity added to the Reference Entity Portfolio, the addition of the Initial Equivalent Spread of such entity; and

(b) with respect to each Substituted Reference Entity, Long Reference Entity or Short Reference Entity removed from the Reference Entity Portfolio, the removal of the Initial Equivalent Spread of such entity.

as determined by the Swap Counterparty.

**“Moody’s”** means Moody’s Investors Service, Inc. and any successor to its ratings business.

**“Notes”** means the Series 2005-2 USD 60,000,000 Portfolio Credit Linked Notes due 2010 the Issuer proposes to issue on or about the date of the portfolio management agreement.

**“Person”** means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

**“Portfolio Change Criteria”** means, with respect to a Substitution or a Short/Long Addition, that each of the following tests are satisfied:

- (i) the Reference Entity Maximum Spread Test: the Five Year Equivalent Spread in respect of the Replacement Entity or the entity the subject of a Short/Long Addition is less than or equal to three times the bid spread of the 5 year “On the Run” Dow Jones High Yield NA CDX index as at the proposed Substitution, Addition or Removal Date; and
- (ii) the Portfolio Maximum Short Exposure Test: following a proposed Short/Long Addition, the absolute value of the aggregate Credit Positions of all Short Reference Entities is not greater than 5% of the Reference Portfolio Notional.

**“Portfolio Manager”** means Caywood-Scholl Capital Management LLC, of 4350 Executive Drive, Suite 125, San Diego, California, CA 92121-2110.

**“Reference Entity”** means, in respect of the CDS Transaction, each entity listed as a “Reference Entity” in the Reference Entity Appendix to the CDS Confirmation.

**“Reference Entity Portfolio”** means a portfolio of Reference Entities set out in the Reference Entity Appendix to the CDS Confirmation.

**“Reference Portfolio Notional”** has, in respect of the CDS Transaction, the meaning given to it in the CDS Confirmation.

**“Replacement Reference Entity”** means the entity proposed by the Portfolio Manager to replace, or that replaces, a Substituted Reference Entity in the Reference Entity Portfolio in accordance with the terms of the Portfolio Management Agreement.

**S&P** means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies Inc. and any successor to its ratings business.

**“Scaling Factor”** means:

- (i) 100%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 4 and 5 years;

- (ii) 110%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 3 and 4 years;
- (iii) 125%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 2 and 3 years;
- (iv) 150%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 1 and 2 years;
- (v) 200%, if the duration of the credit default swap in respect of which the Swap Counterparty Price has been provided is between 0 and 1 years.

**“Scheduled Termination Date”** means, in respect of the CDS Transaction, the date specified as the “Scheduled Termination Date” in the CDS Confirmation.

**“Short/Long Pair”** means each of:

- (a) an entity with respect to which the Credit Position (as defined in the confirmation relating to the Credit Swap Transaction) is, or is to be, a negative percentage (such percentage, the **“Short Credit Position”** and such entity a **“Short Reference Entity”**); and
- (b) an entity (i) with respect to which the Credit Position (as defined in the confirmation relating to the Credit Swap Transaction) is, or is to be, a positive percentage equal to the absolute value of the Short Credit Position and (ii) that it is proposed is added or was added (as the case may be) to the Reference Entity Portfolio on the same date and as part of the same pair as the Short Reference Entity.

**“Short Credit Position”** has the meaning ascribed to it in the definition of Short/Long Pair.

**“Short Reference Entity”** has the meaning ascribed to it in the definition of Short/Long Pair.

**“Short/Long Addition”** means the addition into the Reference Entity Portfolio of a Short/Long Pair.

**“Short/Long Removal”** means the removal from the Reference Entity Portfolio of a Short/Long Pair.

**“Substitution”** means the removal of up to three substituted Reference Entities from the Reference Entity Appendix (as defined in the confirmation relating to the Credit Swap Transaction) and the replacement thereof in the Reference Entity Appendix with up to three replacement Reference Entities.

**“Substitution, Addition or Removal Date”** means:

- (a) with respect to any Substitution, Short/Long Addition or Short/Long Removal, as the case may be, the date on which the Swap Counterparty provides the related Confirmation of Trade pursuant to Schedule 3; and
- (b) with respect to any Automatic Removal, the date on which the Swap Counterparty provides the related Confirmation of Automatic Removal pursuant to Schedule 3.

**“Swap Counterparty”** means Credit Suisse, Cayman Islands Branch, c/o Credit Suisse First Boston International, One Cabot Square, London E14 4QJ.

**“Swap Counterparty Price”** means in respect of:

- (a) a proposed Substituted Reference Entity, the Spread Price for such proposed Substituted Reference Entity determined by the Swap Counterparty;

- (b) a proposed Replacement Reference Entity, the Spread Price for such proposed Replacement Reference Entity determined by the Swap Counterparty;
- (c) a Short Reference Entity to be removed or added, the Spread Price for such Short Reference Entity determined by the Swap Counterparty;
- (d) a Long Reference Entity to be removed or added, the Spread Price for such Long Reference Entity determined by the Swap Counterparty; and
- (e) an Automatic Removal of an Unaffected Paired Entity, the Spread Price for such Unaffected Paired Entity determined by the Swap Counterparty.

**“Trading Criteria”** means the criteria and procedures for effecting a Substitution, Short/Long Addition or Short/Long Removal as set out in the Trading Criteria Appendix to the CDS Confirmation and Schedule 2 taken together.

**“Trustee”** means HSBC Trustee (C.I) Limited, a private limited company incorporated under the laws of Jersey, whose registered office is at 1 Grenville Street, St Helier, Jersey JE4 9PF.

## THE PORTFOLIO MANAGER

*The Portfolio Manager accepts sole responsibility for the following information. None of the Issuer, the Trustee or any other person has verified, or accepts any liability whatsoever for the accuracy of, such information and prospective investors should make their own independent investigations into the Portfolio Manager.*

Caywood-Scholl Capital Management LLC (“**Caywood-Scholl**”) is a Delaware limited liability company, with its principal offices at 4350 Executive Drive, Suite 125, in San Diego, California. Established in 1986, Caywood-Scholl is an investment adviser, registered with the SEC under the Investment Advisers Act of 1940, which specializes in management of high yield fixed income portfolios. As of June 30, 2005, Caywood-Scholl employed 18 individuals, including 10 investment professionals, and had assets under management of approximately \$1.5 billion.

Caywood-Scholl is an affiliate of RCM Capital Management LLC (“**RCM Capital**”), an SEC registered investment adviser and global asset management company based in San Francisco, California. RCM Capital is part of a global investment organization consisting of separate affiliated entities, owned by Allianz AG, that are located in key financial centers, including San Francisco, London, Frankfurt, Hong Kong, Singapore and Tokyo. As of June 30, 2005, these affiliated entities collectively advised or managed approximately \$109.6 billion, including \$20.3 billion in San Francisco.

Set forth below is information regarding certain persons who are currently employed by Caywood-Scholl and who are expected to be responsible for substantially all of the management activities pursuant to the Portfolio Management Agreement. Such persons may not necessarily continue to be so employed during the entire term of the Portfolio Management Agreement.

James R. Caywood, CFA  
**Managing Director, Portfolio Manager**

Mr. Caywood is CEO and Managing Director of Caywood-Scholl and a member of the portfolio management team. He is a co-founder of the firm whose team approach to portfolio management and proven investment philosophy and process define Caywood-Scholl today.

Prior to co-founding the firm in 1986, he was Managing Director of Investments at Pacific Century Group, a Security Pacific Corporation. His responsibilities included managing the bank's commingled fixed income trust assets, the Dreyfus Pacific Horizon High Yield mutual fund, and outside institutional assets. In addition, he was Chief Investment Officer overseeing all institutional investments. Prior to Pacific Century, Mr. Caywood was Director of Fixed Income Management at American General Capital Management where he managed both the American Capital High Yield Fund and the High Yield fund for the Variable Annuity Life Company. Mr. Caywood started his investment career at Merrill Lynch, Pierce, Fenner & Smith as a Vice President of Institutional Fixed Income Sales in Boston and Houston. He received his BS degree from the United States Military Academy at West Point in 1963 and did graduate work for an MBA at George Washington University in 1968-1969. He was designated a Chartered Financial Analyst in 1982.

Eric K. Scholl  
**Managing Director, Portfolio Manager**

Mr. Scholl is President and Managing Director of Caywood-Scholl and a pivotal member of the portfolio management team. He is also responsible for development and oversight of structured products. Mr. Scholl has worked in the high yield bond market since 1980 and has experience on both the buy and sell sides including underwriting, sales, trading, research, and portfolio management.

Prior to joining the firm in 1992 as principal and president, Mr. Scholl was a Senior Vice President in the high yield department of Donaldson, Lufkin & Jenrette where, in 1991, he received a special achievement award for his performance. He began his investment career in 1978 on the

corporate bond trading desk at Merrill Lynch. He then served as Managing Director for high yield securities at L.F. Rothschild & Co. Subsequent to L.F. Rothschild, Mr. Scholl was Managing Director of high yield securities at PaineWebber where he managed the department's capital risk positions, sales, and research functions while also serving on the board. Mr. Scholl is a 1978 graduate of Princeton University.

Thomas W. Saake

**Managing Director, Portfolio Manager/Head Trader**

Mr. Saake is Managing Director, Head Trader, and a key member of Caywood-Scholl's portfolio management team. Prior to acquisition by RCM Capital in 1998, Mr. Saake was a principal and is now involved with the firm's business management and structured products. His expertise in high yield began when he joined Caywood-Scholl in 1990 as trader and administrator of the industry's first ever CBO: Long Run Bond Corporation.

Before joining Caywood-Scholl, Mr. Saake was employed as an Auditor at Imperial Credit Corporation from 1988 through 1990 and as Treasury Supervisor at Prudential Insurance of America from 1984 through 1988. He holds and a BS in Business/Economics from California Lutheran University and an MBA from Loyola Marymount University.

Kirk Maurer, CFA

**Director, Co-Director of Research**

Mr. Maurer is Co-Director of Research and a key member of the investment team.

Prior to joining the firm, Mr. Maurer was employed at Waddell & Reed Investment Management as a high yield investment analyst. Additional investment experience includes various analytical responsibilities with Conseco Capital Management and Smith Barney. He is a member of the Financial Analysts Society of San Diego and holds a BA in economics from Southern Illinois University.

Salim Shah, CFA

**Director, Co-Director of Research**

Mr. Shah is a co-founder of the firm whose expertise has been instrumental in the development of the firm's proven research process. As a former principal of the firm, he has held various senior positions and currently serves as Co-Director of Research.

Prior to joining Caywood-Scholl, Mr. Shah served as Senior Vice President-Senior Portfolio Manager Pacific Century Group. He began his investment career in 1966 as a Research Analyst at the Milwaukee Company and then served as a Research Analyst and Portfolio Strategist at Crowell, Weedon & Company. Mr. Shah received an MBA in Finance and a Masters Degree in Broadcasting from Marquette University, and a BS in Mathematics from Bombay University.

James H. Dudnick, CFA

**Associate, Trader/Analyst**

Mr. Dudnick joined Caywood-Scholl in April 2005. Prior to joining the firm, James was a financial advisor with Merrill Lynch working with both individual and institutional clients. Previously he worked for two years with Goldman Sachs as a financial analyst in the Investment Management Division where he conducted research and executed trades. James is a member of the Orange County Society of Investment Managers and holds a bachelors degree in Business Administration from the University of Michigan Business School.

Steven Gish, CFA

**Vice President, Analyst**



Mr. Gish joined Caywood-Scholl in July 2005. He was previously employed at Roth Capital Partners, LLC for five years as an equity research analyst. In 2003 he was promoted to Senior Research Analyst. He was also employed for four years at DFS Technology, a division of Deutsche Bank Group, as an operations analyst and a field examiner/field representative. Steven is a member of the Los Angeles Society of Financial Analysts and the Orange County Society of Investment Managers. He holds a bachelors degree from the University of New Mexico and an MBA from the University of Colorado.

Tad Keszy

**Vice President, Analyst**

Mr. Keszy joined Caywood-Scholl in July 2005. Before joining the firm, he served as a fixed income credit analyst at Columbia Management Advisors for five years, and at Banca di Roma for one year. He began his career in the financial industry at M&I Marshall & Ilsley Bank in January 1994. He holds an MBA and a Master of Science in Accounting from Marquette University, and a BA in business management from the University of Wisconsin. Mr. Keszy is a CFA Level III candidate.

James Pott, CFA

**Vice President, Analyst**

Mr. Pott began his investment career in 1994. Prior to joining Caywood-Scholl he was an equity research analyst with Jefferies & Company for three years. Previous experience includes various research responsibilities with Wilshire Associates and Baring Securities in Taiwan. He holds an MBA from the Wharton School at the University of Pennsylvania, a Master of Arts/International Studies from the Lauder Institute at the University of Pennsylvania, and a BA from the University of California, Berkeley.

Robin Wittenberg

**Vice President, Analyst**

Ms. Wittenberg joined Caywood-Scholl in 1999 and is a versatile member of the investment team. She has over four years experience on the trading floor and is now serving as a research analyst. Prior to joining the firm, she worked as a Private Banker for Northern Trust Bank in Los Angeles. She holds an MBA from the University of Southern California and a BA in economics from the University of California, San Diego. Ms. Wittenberg is a CFA Level II candidate.

## DESCRIPTION OF THE ISSUER

### General

The Issuer was incorporated in the Republic of Ireland as a public limited company with unlimited duration on 02 June 2005, with registered number 403191 under the name Magnolia Finance VI plc, under the Companies Act 1963-2003. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

The registered office of the Issuer is at 5 Harbourmaster Place, IFSC, Dublin 1, Ireland. The telephone number of the Issuer is +353 1 6806000. The authorised share capital of the Issuer is EUR 40,000 divided into 40,000 Ordinary Shares of EUR 1 each ("**Shares**"). The Issuer has issued 40,000 Shares all of which are fully paid. The issued Shares are held by Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited in each case of 30 Herbert Street, Dublin 2, Ireland (each a "**Share Trustee**", and together, the "**Share Trustee**"), and four individual nominees who each hold one Share on trust for the Share Trustee, each of the Share Trustees hold 13,332 Shares under the terms of a declaration of trust (each a "**Declaration of Trust**" and together, the "**Declarations of Trust**") dated 16 June 2005, under which the relevant Share Trustee holds 13,332 Shares of the Issuer on trust for charity. Under the terms of the Declarations of Trust, each Share Trustee has, inter alia, covenanted not to exercise its voting rights to wind up the company unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over the Issuer is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from the Issuer solely for charitable purposes.

The principal objects of the Issuer are set out in Clauses 2 and 3 of its Memorandum and Articles of Association and permit, among other things, the issuance of Notes and Alternative Investments and generally enabling it to carry out the business of the Issuer as set out in the Trust Instrument and described in this Programme Memorandum.

### Business

So long as any of the Notes or Alternative Investments remain outstanding, the Issuer will be subject to the restrictions set out in Condition 5 and each Constituting Instrument.

The Issuer has, and will have, no assets other than the sum of EUR 40,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes or Alternative Investments or the purchase, sale or incurring of other obligations and any assets on which the Notes or Alternative Investments are secured. Save in respect of the fees generated in connection with each issue of Notes or Alternative Investments, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Notes and Alternative Investments are obligations of the Issuer alone and not of, or guaranteed in any way by, the Share Trustees or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by the Arranger, the Corporate Services Provider, any Swap Counterparty or Repurchase Counterparty or the Agent.

As at the date of this Programme Memorandum the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, other than as disclosed above along with any related arrangements.

## **Directors and Company Secretary**

The Directors of the Issuer are as follows:

Christian Currivan

Michael Whelan

The business address of Christian Currivan is 5 Harbourmaster Place, IFSC, Dublin 1 and the business address of Michael Whelan is 5 Harbourmaster Place, IFSC, Dublin 1.

The Company Secretary is Deutsche International Corporate Services (Ireland) Limited.

Deutsche International Corporate Services (Ireland) Limited of 5 Harbourmaster Place, IFSC, Dublin 1 is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated in certain circumstances upon 90 days' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

## **Financial Statements**

The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2005. The Issuer will not prepare interim financial statements.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the specified office of the Paying Agent in Ireland. The Issuer must hold an annual general meeting in each calendar year and the gap between its annual general meetings must not exceed 15 months.

The auditors of the Issuer are KPMG, 1 Harbourmaster Place, IFSC, Dublin 1, who are chartered accountants qualified to practise in Ireland.

## **INFORMATION RELATING TO THE COLLATERAL ASSETS**

*The following information and any other information contained in this Pricing Supplement relating to the Collateral Assets is a summary only of certain terms and conditions of the Initial Collateral Assets and has been extracted from public sources. As far as the Issuer is aware, no facts have been admitted that would render the information on this page misleading.*

<b>Collateral Assets:</b>	A principal amount of USD 60,000,000 Floating Rate Class A (2005-8) Notes due 2012 (CUSIP: 55264TDH1.)
<b>Total size of Issue:</b>	USD 850,000,000
<b>Issuer of Collateral Assets:</b>	MBNA Credit Card Master Note Trust
<b>Maturity Date:</b>	15 February 2012
<b>Address:</b>	1100 N King Street, Wilmington, Delaware, 19884-0011
<b>Country of Incorporation:</b>	USA
<b>Business Description:</b>	Statutory Trust
<b>Listing</b>	MBNA Credit Card Master Note Trust has debt listed on the Luxembourg Stock Exchange.
<b>Governing Law:</b>	State of Delaware

## INFORMATION RELATING TO COUNTERPARTY

*The Counterparty accepts sole responsibility for the following information. None of the Issuer, the Trustee or any other person has verified, or accepts any liability whatsoever for the accuracy of, such information and prospective investors should make their own independent investigations into the Counterparty.*

The Counterparty is Credit Suisse acting through its Cayman Islands Branch. Its address is 54 Edward Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

Credit Suisse is a Swiss bank and a leading global bank, with total combined assets of approximately CHF 899 billion and total combined shareholder's equity of approximately CHF 22 billion, in each case at December 31, 2004. Credit Suisse provides private clients and small to medium-sized companies with comprehensive financial advice and banking products. In the area of global investment banking, Credit Suisse provides financial advisory and capital raising services, sales and trading for users and suppliers of capital as well as asset management products and services to global institutional, corporate, government and high-net-worth clients. Credit Suisse was established on July 5, 1856 and registered in the Commercial Register (registration no. CH-020.3.923.549-1) of the Canton of Zurich on April 27, 1883 for an unlimited duration under the name Schweizerische Kreditanstalt. Credit Suisse's name was changed to Credit Suisse First Boston on December 11, 1996 (by entry in the commercial register). On May 13, 2005 Credit Suisse First Boston and the legal entity Credit Suisse were merged. Credit Suisse First Boston was the surviving legal entity. Credit Suisse First Boston then changed its name to Credit Suisse on May 13, 2005 (by entry in the commercial register). Credit Suisse is a joint stock corporation established under Swiss law. Credit Suisse employed approximately 37,500 people at December 31, 2004, of which approximately 16,500 are located in Switzerland.

Credit Suisse's registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland, and its telephone number is 41-44-333-1111 and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo. Credit Suisse's statutory and bank law auditor is KPMG Klynveld Peat Marwick Goerdeler SA, Badenerstrasse 172, 8004 Zurich, Switzerland, or KPMG. KPMG is a member of the Swiss Institute of Certified Accountants and Tax Consultants. Credit Suisse's special auditor is BDO Visura, Fabrikstrasse 50, 8031 Zurich, Switzerland.

Credit Suisse Group, which owns 100% of the voting shares of Credit Suisse, is a global financial services company domiciled in Switzerland and active in all major financial centres, providing a comprehensive range of banking and insurance products. The operations of Credit Suisse Group are structured into three divisions with six reporting segments: Credit Suisse, including the Private Banking and Corporate & Retail Banking segments; Credit Suisse First Boston, including the Institutional Securities and Wealth & Asset Management segments; and Winterthur, including the Life & Pensions and Non-Life segments. Credit Suisse Group's registered shares are listed in Switzerland (on the Virt-X exchange) and in the form of American depositary shares in New York (on the New York Stock Exchange).

## SUBSCRIPTION AND SALE

Reference should be made to the selling restrictions set out in the section headed “*Subscription and Sale*” contained in the Programme Memorandum and the following selling restrictions, which will apply to the Notes in the relevant jurisdiction(s) in which such Notes are offered or sold. In the event of any inconsistency between the Programme Memorandum and this Pricing Supplement, this Pricing Supplement shall prevail.

### General

The Notes may not be offered and sold in any jurisdiction where such offer and sale is prohibited by applicable law or regulation. No action has been or will be taken by the Issuer or any purchaser that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required. No offer, sale or delivery of the Notes, or distribution or publication of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

The Notes may be transferred only in accordance with the Conditions and the terms of the Constituting Instrument.

### Ireland

Each of the Arranger and the Dealer represent and agree that:

- (i) it has not and will not offer or sell the Notes other than in compliance with the EU Directive 2003/6/EC on insider dealing and market manipulation, S.I. No. 342 of 2005 Market Abuse (Directive 2003/6/EC) Regulations 2005 and any other applicable Irish implementing legislation and rules; and
- (ii) to the extent applicable, it will not underwrite the issue of or place the Notes otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9, 23 (including any advertising restrictions made thereunder) and Section 37 (including any codes of conduct issued thereunder) of the provisions of the Irish Investor Compensation Act 1998, including, without limitation, Section 21.

### United States

None of the Notes nor the Global Receipt have been nor will be registered under the Securities Act. None of the Notes nor the Global Receipt (and any beneficial interest or participation therein) may be offered, sold, delivered, pledged or otherwise transferred within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S) except to QIBs in reliance on Rule 144A who are also Qualified Purchasers for the purposes of Section 3(c)(7) of the Investment Company Act. Each purchaser of a Note and the Global Receipt agrees to be bound by the foregoing restriction on transfers and to make certain representations and undertakings in respect thereof upon purchasing the Notes and the Global Receipt (or any beneficial interest or participation therein) as set out in the section of the Programme Memorandum entitled “*Subscription and Sale*”.

Each of the Arranger and the Dealer proposes to offer and sell the Notes only in the United States or to U.S. persons either directly or through its Affiliates to persons who are QIBs in reliance on Rule 144A and who are also Qualified Purchasers for the purposes of Section 3(c)(7) of the Investment Company Act.

This Pricing Supplement has been prepared by the Issuer for use in connection with the offer and sale of the Notes and the Global Receipt in the United States to QIBs and for the listing of the Notes on the Official List of the Irish Stock Exchange. Each of the Arranger and the Dealer reserves the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of the Notes and the Global Receipt which may be offered. This Pricing Supplement does not constitute an offer to any U.S. person other than a QIB to whom an offer has been made directly by the Arranger or Dealer. Distribution of this Pricing Supplement to any such U.S. person, other than those persons, if any, retained to advise a QIB with respect thereto, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

## FORM OF THE NOTES AND THE GLOBAL RECEIPT

The following is a summary of certain terms and provisions of the Constituting Instrument and the deposit and custody agreement dated as of the date hereof between the Issuer, Trustee and HSBC Bank USA, National Association as depositary (the "**Depositary**") and as global note custodian (the "**Global Note Custodian**") (the "**Deposit and Custody Agreement**") pursuant to which the Global Receipt will be issued. The summary set forth below does not purport to be complete and is subject to the Deposit and Custody Agreement, copies of which may be inspected at the principal offices of the Trustee for the time being.

The Notes sold to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act) who are also qualified purchasers ("**Qualified Purchasers**") (as defined in Section 2(a)(51) of the Investment Company Act) for purposes of Section 3(c)(7) of the Investment Company Act will be represented on issue by a permanent global note in bearer form without interest coupons or principal receipts attached (the "**Global Note**").

Upon deposit of the Global Note with the Global Note Custodian, subject to the terms of the Deposit and Custody Agreement, the Depositary will issue a global receipt representing a beneficial interest in 100 per cent. of the aggregate principal amount of the Global Note (the "**Global Receipt**"). The Global Receipt will be deposited with, and registered in the name of Cede & Co. as nominee for The Depositary Trust Company ("**DTC**"). By acquisition of a beneficial interest in the Global Receipt representing a beneficial interest in the Global Note, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB who is also a Qualified Purchaser and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Constituting Instrument.

The Global Receipt representing a beneficial interest in the Global Note will be subject to certain restrictions on transfer set forth therein and in the Trust Deed, and the Notes will bear applicable legends as provided by the Trust Deed.

Owners of beneficial interests in the Global Receipt which represents a beneficial interest in the Global Note will not be entitled to receive physical delivery of Notes in definitive form, subject to certain limited exceptions.

The Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the Conditions of the Notes set out in this Pricing Supplement. The following is a summary of those provisions:

- **Payments.** Payments of principal and interest in respect of the Global Note will be made to the Global Note Custodian as holder of the Global Note against presentation for endorsement and, if no further payment fails to be made in respect of the Notes, surrender of the Global Note to or to the order of the Principal Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. The Global Note Custodian will receive such payments for and on behalf of the Depositary. All such payments will be made to the Global Note Custodian (as custodian for the Depositary) in USD.

Pursuant to the Deposit and Custody Agreement the Depositary will make payments in USD to the holder of beneficial interests in the Global Receipt.

- **Action in respect of the Global Note.** Promptly after receipt by the Global Note Custodian of notice of any solicitation of consents or request for a waiver or other action



by the Issuer in respect of the Global Note, the Global Note Custodian shall so inform the Depositary who shall mail or otherwise transmit to the holder of the Global Receipt a notice containing (a) such information as is contained in such notice, (b) a statement that the holder at the close of business on a specified record date will be entitled, subject to the provisions of or governing the Global Receipt, to instruct the Depositary as to the consent, waiver or other action, if any, pertaining to the Global Note and (c) a statement as to the manner in which such instructions may be given. Upon the written request of such holder, received on or before the date established by the Depositary for such purpose, the Depositary shall cause the Global Note Custodian to endeavour insofar as practicable and permitted under the provisions of or governing the Global Note to take such action regarding the requested consent, waiver or other action in respect of the Global Note represented by the Global Receipt in accordance with any instructions set forth in such request. Neither the Depositary nor the Global Note Custodian will itself exercise any discretion in the granting of consents, waivers or taking other such action in respect of the Global Note.

- **Transfer of Global Note.** Pursuant to the terms of the Deposit and Custody Agreement, the Global Note may be transferred by the Global Note Custodian only to a successor Global Note Custodian under the Deposit and Custody Agreement.
- **Notices.** The Depositary will promptly send to each holder of a beneficial interest in the Global Receipt a copy of any notices, reports and other communications received from the Issuer (save where such notice, report or other communication contains information which is not permitted to be distributed to any person holding a beneficial interest in the Global Receipt under any applicable law) which are both (a) received by the Global Note Custodian as holder of the Global Note, and (b) made generally available by the Issuer to holders of the Notes represented by the Global Note.

So long as any Notes are represented by the Global Note and beneficial interest in the Global Note are represented by beneficial interests in the Global Receipt which is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes, *provided that* such notice is also published or made available in the manner required by the rules of the Irish Stock Exchange.

- **Charges of Depositary and Global Note Custodian.** The Issuer has agreed to pay all charges of the Depositary and the Global Note Custodian under the Deposit and Custody Agreement. The Issuer also has agreed to indemnify the Depositary and Global Note Custodian against certain liabilities incurred by them under the Deposit and Custody Agreement.
- **Amendment.** The Deposit and Custody Agreement and the Global Receipt may only be amended by written agreement among the Depositary, the Trustee, the Global Note Custodian and the Issuer and receipt of confirmation by the Rating Agencies that such action would not adversely affect or result in the withdrawal of the current rating of the Notes.
- **Resignation or Removal of the Depositary or Global Note Custodian and Termination.** The Depositary may at any time resign as Depositary by written notice of its election to do so delivered to the Trustee, the Global Note Custodian and the Issuer, such resignation to take effect upon the appointment by the Issuer of a successor depositary (approved by the Trustee) and its acceptance of such appointment. If at the end of 45 days after delivery of such notice, no successor depositary has been appointed or accepted such appointment, the Depositary may terminate the Deposit and Custody

Agreement by requesting the Issuer to issue Definitive Registered Notes and such termination shall become effective when Definitive Registered Notes shall have been so issued.

The Global Note Custodian may at any time resign as Global Note Custodian by written notice of its election to do so delivered to the Depositary, the Trustee and the Issuer, such resignation to take effect upon the appointment by the Issuer of a successor custodian (approved by the Depositary and the Trustee which approval shall not be unreasonably withheld) and its acceptance of such appointment and the transfer of beneficial interests in the Global Note as set forth in the Deposit and Custody Agreement. If at the end of 45 days after delivery of such notice, no successor custodian has been appointed or accepted such appointment, the Global Note Custodian may request that the Issuer promptly issue Definitive Registered Notes and upon the issuance of such Notes, may terminate this Agreement.

- **Obligations of Depositary and Global Note Custodian.** Neither the Depositary nor the Global Note Custodian assumes any obligation nor, subject to the Deposit and Custody Agreement, shall either be subject to any liability under the Deposit and Custody Agreement to the Holder or any Beneficial Owner (including, without limitation, liability with respect to the validity or worth of the Global Note), other than that they agree to use their good faith and reasonable care in the performance of such duties as are specifically set forth in the Deposit and Custody Agreement.
- **Governing Law.** Subject to Clause 8.6 of the Deposit and Custody Agreement which is expressed to be governed by the laws of England and Wales, the Deposit and Custody Agreement and the Global Receipt shall be governed by, and construed in accordance with, New York law.

## GENERAL INFORMATION

1. The issue of the Notes was authorised pursuant to a resolution passed by the Board of Directors of the Issuer on 12 October 2005.
2. The Issuer is a newly formed entity which has not prepared financial statements as of the Issue Date. Save as disclosed herein, there has been no material adverse change in the financial position of the Issuer since its incorporation on 02 June 2005.
3. The Issuer is not involved in any litigation or arbitration proceedings that may have, or have had since its incorporation, a significant effect on its financial position, nor is the Issuer aware that any such proceedings are pending or threatened.
4. For as long as the Notes are listed on the Irish Stock Exchange, copies of the following documents will be available for inspection and collection free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Principal Paying Agent in London and the specified office of the Paying Agent in Ireland and the registered office of the Issuer for so long as any of the Notes shall remain outstanding:
  - (1) this Pricing Supplement;
  - (2) the Constituting Instrument;
  - (3) the Charged Agreement;
  - (4) the Deposit and Custody Agreement; and
  - (5) the Portfolio Management Agreement.
5. The Arranger has agreed to take responsibility of the expenses relating to the admission to trading and therefore the cost of such expenses to the issuer is nil.
6. The Issuer does not intend to provide post-issuance transaction information.

**REGISTERED OFFICE OF THE ISSUER**

5 Harbourmaster Place  
Dublin 1  
Ireland

**ARRANGER, INTEREST CALCULATION AGENT AND DETERMINATION AGENT**

**Credit Suisse First Boston International**

One Cabot Square  
London E14 4QJ

**TRUSTEE**

**HSBC Trustee (C.I.) Limited**

PO Box 88  
1 Grenville Street  
St Helier,  
Jersey JE4 9PF

**ISSUE AGENT AND CUSTODIAN**

**HSBC Bank plc**

Corporate Trust and Loan Agency  
8 Canada Square  
London E14 5HQ

**PAYING AGENT IN IRELAND**

HSBC Institutional Trust Services (Ireland) Limited

HSBC House  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

**PRINCIPAL PAYING, GLOBAL NOTE CUSTODIAN  
AND DEPOSITARY**

**HSBC Bank USA, National Association**

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*To the Arranger and the Trustee as to  
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