

MARKET-MAKER
MASTER CREDIT DERIVATIVES
CONFIRMATION AGREEMENT
FOR INDIAN CORPORATE BONDS
(May 31, 2012)

This Market-maker Master Credit Derivatives Confirmation Agreement for Indian Corporate Bonds ("Master Confirmation Agreement") is dated as of [*insert date*] between [*Insert full legal name of Party A*] ("Party A") and [*Insert full legal name of Party B*] ("Party B").

The parties wish to facilitate the process of entering into and confirming Credit Derivative Transactions and accordingly agree as follows:

1. Credit Derivatives Definitions. This Master Confirmation Agreement (which term includes all Annexes hereto) incorporates by reference the 2003 ISDA[®] Credit Derivatives Definitions as amended and supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (together, the "Credit Derivatives Definitions") as amended by Annex 2 (*Amendments to the Credit Derivatives Definitions*). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Credit Derivatives Definitions.
2. Confirmation Process. The parties intend to enter into separate Credit Derivative Transactions (each a "Transaction") with respect to each Reference Entity set out in a Transaction Supplement substantially in the form attached as Annex 3 (a "Transaction Supplement"). [The confirmation applicable to each Transaction, which shall constitute a "Confirmation" for the purposes of, and will supplement, form a part of, and be subject to, the ISDA Master Agreement between Party A and Party B dated as of [____], as amended and supplemented from time to time (the "Master Agreement"), shall consist of this Master Confirmation Agreement including the Standard CDS Terms attached as Annex 1 (the "Standard CDS Terms"), as supplemented by the trade details applicable to such Transaction as set forth in the relevant Transaction Supplement. All provisions contained in the Master Agreement govern each Confirmation except as expressly modified in this Master Confirmation Agreement, the Standard CDS Terms and the relevant Transaction Supplement.]¹

¹ If the parties have not yet executed an ISDA Master Agreement, the following language shall be included: "The confirmation applicable to each Transaction shall consist of this Master Confirmation Agreement including the Standard CDS Terms attached as Annex 1 (the "Standard CDS Terms"), as supplemented by the trade details applicable to such Transaction as set forth in the Transaction Supplement and shall constitute a "Confirmation" as referred to in the Master Agreement specified below. The Confirmation applicable to each Transaction will evidence a complete and binding agreement between the parties as to the terms of the Transaction to which such Confirmation relates. In addition, the parties agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of an ISDA Master Agreement, with such modifications as the parties in good faith agree. Upon execution by the parties of such an agreement (the "Master Agreement"), each Confirmation already executed in connection with this Master Confirmation Agreement and all future Confirmations executed in connection with this Master Confirmation Agreement will supplement, form a part of, and be subject to, that Master Agreement. All provisions contained in or incorporated by reference in that Master

In the event of any inconsistency between (i) this Master Confirmation Agreement (including all Annexes hereto) and a Transaction Supplement, the Transaction Supplement shall govern for the purpose of the relevant Transaction and/or (ii) this Master Confirmation Agreement (including all Annexes hereto) and the Credit Derivatives Definitions, this Master Confirmation Agreement (including all Annexes hereto) shall govern for the purpose of the relevant Transaction. The Transaction Supplement shall set forth, at a minimum, all of the information set out in the applicable form of Transaction Supplement attached hereto as Annex 3.

In the event that the parties have agreed to use the services provided by The Clearing Corporation of India Ltd. ("CCIL") for the purpose of electronically confirming certain Transactions, once CCIL determines that a Transaction submitted to CCIL by the parties is matched pursuant to CCIL's prevailing rules and procedures, the notification by CCIL that the Transaction has been matched shall be deemed to be the controlling confirmation of the Transaction and the terms of such controlling confirmation shall be legally binding on and enforceable against each of the parties and such controlling confirmation shall constitute a "Confirmation" for the purposes of, and will supplement, form a part of and be subject to the Master Agreement.

3. Non-Exclusive. The parties acknowledge and agree that the execution of this Master Confirmation Agreement does not require them to document Transactions in accordance with this Master Confirmation Agreement.
4. Preparation of Transaction Supplements. The preparation of a Transaction Supplement shall be the responsibility of the Seller in respect of the Transaction to which the relevant Transaction Supplement relates.
5. Miscellaneous.
 - (a) Entire Agreement. This Master Confirmation Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect specifically thereto.
 - (b) Amendments. An amendment, modification or waiver in respect of this Master Confirmation Agreement will only be effective if in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system.

Agreement upon its execution will govern each Confirmation except as expressly modified below. Until the parties execute and deliver that Master Agreement, each Confirmation confirming a Transaction entered into between the parties in connection with this Master Confirmation Agreement (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to, an agreement in the form of the [1992] [2002] ISDA Master Agreement as if the parties had executed an agreement in such form (but without any Schedule except for the election of [English law] [the laws of the State of New York] [Indian law] as the governing law and [INR] as the Termination Currency) on the Trade Date of the first such Transaction between the parties in connection with this Master Confirmation Agreement. In the event of any inconsistency between the provisions of that agreement and a Confirmation, the Confirmation will prevail for purposes of the relevant Transaction."

- (c) Counterparts. This Master Confirmation Agreement and each Transaction Supplement documented hereunder may be executed in counterparts, each of which will be deemed an original.
- (d) Headings. The headings used in this Master Confirmation Agreement are for convenience of reference only and shall not affect the construction of or be taken into consideration in interpreting this Master Confirmation Agreement.
- (e) Governing Law. This Master Confirmation Agreement and each Transaction confirmed by a Confirmation documented hereunder and any non-contractual obligations arising out of or in connection this Master Confirmation Agreement and each Transaction confirmed by a Confirmation documented hereunder will be governed by and construed in accordance with the law specified in the Master Agreement.
- (f) Third Party Rights. If English law applies to this Master Confirmation Agreement, no person that is not a party to the Master Confirmation Agreement has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Master Confirmation Agreement.

IN WITNESS WHEREOF the parties have executed this agreement with effect from the date specified on the first page of this agreement.

[Insert full legal name of Party A]

[Insert full legal name of Party B]

By: _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

Annex 1
Standard CDS Terms

The general terms of each Transaction to which this Standard CDS Terms relates are as follows, as supplemented by the relevant Transaction Supplement related to such Transaction:

1. General Terms:

Trade Date:	As shown in the Transaction Supplement.
Effective Date:	The calendar day immediately following the Trade Date.
Scheduled Termination Date:	The Fixed Rate Payer Payment Date as shown in the Transaction Supplement.
Floating Rate Payer:	As shown in the Transaction Supplement (the "Seller").
Fixed Rate Payer:	As shown in the Transaction Supplement (the "Buyer").
Calculation Agent:	Seller, unless otherwise specified in the Transaction Supplement.
Calculation Agent City:	Mumbai.
Business Day:	Mumbai.
Business Day Convention:	Following (which, subject to Sections 1.4, 1.6, 1.23 and 2.2(i) of the Credit Derivatives Definitions, shall apply to any date referred to in this Standard CDS Terms or in the related Transaction Supplement that falls on a day that is not a Business Day).
Reference Entity:	As shown in the Transaction Supplement.
Reference Obligation:	As shown in the Transaction Supplement.
Reference Price:	100%.

2. Fixed Payments:

Fixed Rate Payer Calculation Amount:	The Floating Rate Payer Calculation Amount.
Fixed Rate Payer Payment Dates:	March 20, June 20, September 20 and December 20.
Fixed Rate:	1.0 per cent. or 5.0 per cent. as shown in the Transaction Supplement.
Fixed Rate Day Count	As shown in the Transaction Supplement.

Fraction:

Initial Payment Payer: As shown in the Transaction Supplement.

Initial Payment Amount: As shown in the Transaction Supplement.

Initial Payment Date: The Business Day immediately following the Trade Date.

Initial Fixed Rate Payer Calculation Period: Notwithstanding Section 2.9 of the Credit Derivatives Definitions, the initial Fixed Rate Payer Calculation Period shall commence on, and include, the Fixed Rate Payer Payment Date falling on or immediately prior to the Effective Date.

For purposes of this provision, Section 2.10 of the Credit Derivatives Definitions shall be deemed amended by deleting the words "during the term of the Transaction".

Rebate Payment: If the Effective Date is not a Fixed Rate Payer Payment Date, the Seller will pay the Rebate Amount to the Buyer on the Effective Date, subject to the Business Day Convention.

Rebate Amount: An amount that is equal to the Fixed Amount that accrued from and including the Fixed Rate Payer Payment Date falling immediately prior to the Effective Date to but excluding the Effective Date.

3. Floating Payment:

Floating Rate Payer Calculation Amount: An amount denominated in Indian Rupee ("**INR**") as shown in the Transaction Supplement.

- Conditions to Settlement:
- Credit Event Notice
Notifying Parties: Buyer or Seller
Notice of Physical Settlement.
 - Notice of Publicly Available Information: Applicable

Credit Events: Bankruptcy
Failure to Pay
Payment Requirement: INR10,000,000 (or the relevant Obligation Currency Equivalent as of the occurrence of the relevant Failure to Pay)
Grace Period Extension: Not Applicable

Restructuring

Obligation Currency Equivalent:

In respect of any date and an Obligation Currency other than INR (the "**Other Currency**"), an amount that is equal to INR10,000,000 converted into such Other Currency by reference to the relevant exchange rate published by the Reserve Bank of India ("**RBI**") on the website www.rbi.org.in in the case of a conversion between INR and USD, EUR, GBP, JPY or any Other Currency published on such website (each being a "**RBI Reference Rate**") at approximately 12:30 p.m. (Indian Standard Time), or as soon thereafter as practicable, on such date. In case the RBI Reference Rate is not published on any date or the relevant Other Currency is not referenced by any RBI Reference Rate, the relevant exchange rate for that date shall be equal to the spot exchange rate as determined by the Calculation Agent for the purchase of such Other Currency with INR at or about 12:30 p.m. (Indian Standard Time) on such date.

Obligation(s):

For the purposes of the table below:

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

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

Obligation Categories: <i>(Select only one)</i>		Obligation Characteristics: <i>(Select all that apply)</i>	
No	Payment	Yes	Not Subordinated
No	Borrowed Money	No	Specified Currency – Standard Specified Currencies
No	Reference Obligation(s) Only	Yes	Not Sovereign Lender
No	Bond	No	Not Domestic Currency
No	Loan	No	Not Domestic Law
Yes	Bond or Loan	No	Listed
		No	Not Domestic Issuance

Excluded Obligations:

Short Term Instruments
Interest Receivables

4. Settlement Terms:

Settlement Method:

Physical Settlement.

Settlement Currency: INR.

Physical Settlement Period: Thirty (30) Business Days.

Deliverable Obligations: Exclude Accrued Interest.

Deliverable Obligation Category and Characteristics: For the purposes of the table below:
"Yes" shall mean that the relevant selection is applicable; and
"No" shall mean that the relevant selection is not applicable.

Deliverable Obligation Categories: <i>(Select only one)</i>		Deliverable Obligation Characteristics: <i>(Select all that apply)</i>	
No	Payment	Yes	Not Subordinated
No	Borrowed Money	No	Specified Currency – Standard Specified Currencies
No	Reference Obligation(s) Only	Yes	Not Sovereign Lender
Yes	Bond	No	Not Domestic Currency
No	Loan	No	Not Domestic Law
No	Bond or Loan	No	Listed
		Yes	Not Contingent
		No	Not Domestic Issuance
		No	Assignable Loan
		No	Consent Required Loan
		No	Direct Loan Participation
		Yes	Transferable
		Yes - 30 years	Maximum Maturity
		No	Accelerated or Matured
		Yes	Not Bearer

Excluded Deliverable Obligations: Short Term Instruments
 Asset-Backed Securities
 Convertible Obligations
 Exchangeable Obligations
 Interest Receivables
 Any obligation with terms that include a Call Right and/or a Put Right

Escrow: Applicable.

60 Business Days Cap on Settlement: Applicable.

5. Amendments to the Credit Derivatives Definitions

The Credit Derivatives Definitions are amended and supplemented as set out in Annex 2 (*Amendments to the Credit Derivatives Definitions*).

6. Definitions

Capitalized terms used in this Annex 1 (*Standard CDS Terms*) but not defined in the Credit Derivatives Definitions or this Annex 1 (*Standard CDS Terms*) will have the meanings ascribed to such terms in Paragraph 20 (*Definitions*) of Annex 2 (*Amendments to the Credit Derivatives Definitions*) (below).

7. Notice and Account Details:

Notice and Account Details for Party A: As shown in the Transaction Supplement.

Notice and Account Details for Party B: As shown in the Transaction Supplement.

Annex 2
Amendments to the Credit Derivatives Definitions

Capitalized terms used in this Annex 2 (*Amendments to the Credit Derivatives Definitions*) but not defined in the Credit Derivatives Definitions or Annex 1 (*Standard CDS Terms*) will have the meanings ascribed to such terms in Paragraph 20 (*Definitions*) (below).

1. **Section 1.18 (2002 ISDA Master Agreement).** Section 1.18 (2002 ISDA Master Agreement) will be deleted in its entirety and replaced with the following:

"Section 1.18 2002 ISDA Master Agreement. The terms "Additional Termination Event", "Affected Party", "Affected Transaction", "Affiliate", "Close-out Amount", "Early Termination Date", "Event of Default", "Stamp Tax", "Tax", "Terminated Transaction", "Termination Event" and "Unpaid Amounts" shall have the meanings given to those terms in the standard form 2002 ISDA Master Agreement (the "2002 ISDA Master Agreement")."

2. **Section 1.22 (Credit Derivatives Determinations Committees).** Section 1.22 (Credit Derivatives Determinations Committees) will be deleted in its entirety and replaced with the following:

"Section 1.22 Credit Derivatives Determinations Committee. "Credit Derivatives Determinations Committee" means the committee established by the Fixed Income Money Market and Derivatives Association of India ("**FIMMDA**") (or any other entity as nominated by RBI from time to time) for purposes of reaching certain DC Resolutions in connection with Credit Derivative Transactions, as more fully described in the Credit Derivatives Determinations Committee Rules, as published by FIMMDA (or any other entity as nominated by RBI from time to time) from time to time and as amended from time to time in accordance with the terms thereof (the "**Rules**")."

All references in the Credit Derivatives Definitions to ISDA making a public announcement in respect of the Credit Derivatives Determinations Committee or otherwise acting in connection with the Credit Derivatives Determinations Committee will be deemed to be references to FIMMDA (or any other entity as nominated by RBI from time to time) acting in the equivalent capacity.

3. All references in the Credit Derivatives Definitions to the term "Greenwich Mean Time" will be deleted and replaced with the term "Indian Standard Time".
4. **Section 1.26 (Exercise Cut-off Date).** Section 1.26 (Exercise Cut-off Date) will be deleted in its entirety and replaced with the following:

"Section 1.26 Exercise Cut-off Date. "Exercise Cut-off Date" means, with respect to a Credit Event, the date that is 21 calendar days following the date of the relevant DC Credit Event Announcement."

5. **Section 1.30 (DC Credit Event Announcement).** Section 1.30 (DC Credit Event Announcement) will be amended by deleting all of the following:

"(ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable."

and replacing it with:

"(ii) the Trade Date occurs on or prior to the date that is 21 calendar days following the date of the relevant DC Credit Event Announcement."

6. **Section 2.1 (Reference Entity).** Section 2.1 (Reference Entity) will be deleted in its entirety and replaced with the following

"Section 2.1 Reference Entity. "Reference Entity" means the entity specified as such in the related Confirmation provided that, on the Trade Date only, any Reference Entity:

- (i) must be an Indian Resident; and
- (ii) must not be a Related Party of Buyer or Seller.

Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to Section 2.2 on or following the Trade Date or (b) in respect of which FIMMDA (or any other entity as nominated by RBI from time to time) publicly announces on or following the Trade Date that the Credit Derivatives Determinations Committee has Resolved a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the relevant Credit Derivative Transaction."

7. **Section 2.2 (Provisions for Determining a Successor).**

Section 2.2 (Provisions for Determining a Successor) is deleted in its entirety and replaced with the following:

"Section 2.2 Provisions for Determining a Successor.

- (a) "Successor" means in relation to a Reference Entity that is not a Sovereign, the entity that succeeds to the Reference Obligation. The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than thirty calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, which entity qualifies as the Successor, provided that the Calculation Agent will not make such determination if, at such time, either (A) FIMMDA (or any other entity as nominated by RBI from time to time) has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in Sections 2.2(a) are satisfied in accordance with the Rules (until such time, if any, as FIMMDA (or any other entity as nominated by RBI from time to time) subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) FIMMDA (or any other entity as nominated by RBI from time to time) has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the relevant Credit Derivative Transaction has occurred.

- (b) "Succession Event" means with respect to a Reference Entity that is not a Sovereign, any event that results in the Reference Entity no longer being the primary obligor for the Reference Obligation.
- (c) For purposes of Section 2.2, "succeed" means, with respect to a Reference Entity and the Reference Obligation, that a party other than such Reference Entity assumes or becomes liable as the primary obligor for the Reference Obligation whether by operation of law or pursuant to any agreement.
- (d) The Calculation Agent will determine the entity which succeeds to the Reference Obligation on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this in fact the case.
- (e) "Best Available Information" means:
 - (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of this Section 2.2, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
 - (ii) in the case of a Reference Entity which does not file with its primary securities regulator or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of this Section 2.2.

Information which is made available more than thirty calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information."

8. **Section 2.3 (Reference Obligation).** Section 2.3 (Reference Obligation) will be deleted in its entirety and replaced with the following:

"Section 2.3 Reference Obligation.

- (a) "Reference Obligation" means each obligation specified as such or of a type described in the related Confirmation and any Substitute Reference Obligation

provided that each such obligation (at all times except where indicated below) and any Substitute Reference Obligation (at all times from and including the time that such Substitute Reference Obligation is identified except where indicated below):

(i) must be:

- (A) a Bond that is denominated in INR;
- (B) a direct obligation of the Reference Entity;
- (C) in dematerialised format;
- (D) a Bond that is transferable without any contractual, statutory or regulatory restriction, including without limitation, being free from any lock up period (or similar restriction on transfer) that is imposed by the Securities and Exchange Board of India; and
- (E) any one or more of the following:
 - (1) Listed on the Trade Date only or, in respect of a Substitute Reference Obligation, at the time that the Substitute Reference Obligation is identified only; and/or
 - (2) if the Reference Entity is an Infrastructure Company, rated by any Rating Agency on the Trade Date only or, in respect of a Substitute Reference Obligation, at the time that the Substitute Reference Obligation is identified only; and/or
 - (3) an obligation in respect of which the Reference Entity is an Eligible SPV that is an Affiliate of an Infrastructure Company; and

(ii) must not be any of the following:

- (A) a Short Term Instrument;
- (B) an Asset-Backed Security;
- (C) a Convertible Obligation;
- (D) an Exchangeable Obligation;
- (E) an Interest Receivable; or
- (F) an obligation with terms that include a Call Right and/or a Put Right.

(b) In the event that the Calculation Agent determines that an obligation that is specified as the Reference Obligation did not satisfy the requirements set out in Section 2.3(a)(i) and (ii) above on the Trade Date or that an obligation that was identified as a Substitute Reference Obligation did not satisfy the requirements set out in Section 2.3(a)(i) and (ii) above at the time that such Substitute Reference Obligation was identified:

- (i) the Calculation Agent will notify both parties as soon as reasonably practicable after making such determination;
- (ii) the date that such notice to both parties is effective will be an Early Termination Date in respect of which the Credit Derivative Transaction will be the only Terminated Transaction;

- (iii) no amount will be payable by either party pursuant to Section 6 of any ISDA Master Agreement between them (except in respect of any Unpaid Amounts); and
 - (iv) any failure to satisfy the requirements set out in Section 2.3(a)(i) and (ii) above will not be an Event of Default or Termination Event for the purpose of any ISDA Master Agreement between the parties.
 - (c) In the event that the Calculation Agent determines that an obligation that is specified as the Reference Obligation satisfied the relevant requirements set out in Section 2.3(a)(i) and (ii) above on the Trade Date but does not satisfy such relevant requirements at any time thereafter or that an obligation that was identified as a Substitute Reference Obligation satisfied the relevant requirements set out in Section 2.3(a)(i) and (ii) above at the time that such Substitute Reference Obligation was identified but does not satisfy such relevant requirements at any time thereafter:
 - (i) such obligation will not be characterised as a "Reference Obligation" (except to the extent set out in the provisions of Section 2.30 (Substitute Reference Obligation));
 - (ii) the provisions of Section 2.30 (*Substitute Reference Obligation*) will apply; and
 - (iii) any such failure to satisfy such requirements will not be an Event of Default or Termination Event for the purpose of any ISDA Master Agreement between the parties."
- 9. **Section 2.14 (Obligation).** Section 2.14 (Obligation) will be deleted in its entirety and replaced with the following:

"Section 2.14 Obligation. "Obligation" means (a) any direct obligation of a Reference Entity determined pursuant to the method described in Section 2.19 (but excluding any Excluded Obligation), (b) each Reference Obligation, unless specified in the related Confirmation as an Excluded Obligation, and (c) any other direct obligation of a Reference Entity specified as such in the related Confirmation provided that any such obligation is not an Excluded Obligation."
- 10. **Section 2.15 (Deliverable Obligation).** Section 2.15 (Deliverable Obligation) will be deleted in its entirety and replaced with the following:

"Section 2.15 Deliverable Obligation. "Deliverable Obligation" means:

 - (a) any direct obligation of a Reference Entity determined pursuant to the method described in Section 2.20 (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, and (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in Section 4.1(a)-(d)) or right of set off by or of a Reference Entity;
 - (b) each Reference Obligation unless specified in the related Confirmation as an Excluded Deliverable Obligation; and

- (c) any other Bond that is a direct obligation of a Reference Entity specified as such in the related Confirmation unless specified in the related Confirmation as an Excluded Deliverable Obligation,

provided that, on the Delivery Date, the relevant obligation must be denominated in INR and be in dematerialised format."

- 11. **Section 2.20 (Method for Determining Deliverable Obligation).** The first paragraph of Section 2.20 (Method for Determining Deliverable Obligation) will be deleted in its entirety and replaced with the following:

"Section 2.20 Method for Determining Deliverable Obligations. For purposes of Section 2.15, the term "Deliverable Obligation" may be defined as each direct obligation of each Reference Entity that (i) is described by the Deliverable Obligation Category specified in the related Confirmation; (ii) has each of the Deliverable Obligation Characteristics, if any, specified in the related Confirmation and (iii) satisfies the other requirements set out in Section 2.15, in each case, as of the Delivery Date. The following terms shall have the following meanings:"

- 12. **Section 2.30 (Substitute Reference Obligation).** Paragraphs (a) to (e) (inclusive) of Section 2.30 (Substitute Reference Obligation) will be deleted in their entirety and replaced with the following and paragraph (f) of Section 2.30 (Substitute Reference Obligation) will be renumbered as paragraph "(e)":

"Section 2.30 Substitute Reference Obligation. "Substitute Reference Obligation" means one or more direct obligations of the Reference Entity that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) Upon the occurrence of (i) a Substitution Trigger Event or (ii) a Substitution Characterisation Event, the Calculation Agent shall (after consultation with the parties) identify one or more Obligations to replace such Reference Obligation.

For this purpose:

Substitution Trigger Event means either (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent, the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments).

Substitution Characterisation Event means that the Calculation Agent determines that an obligation that is specified as the Reference Obligation satisfied the relevant requirements set out in Section 2.3(a)(i) and (ii) above on the Trade Date but does not satisfy such relevant requirements at any time thereafter or that an obligation that was identified as a Substitute Reference Obligation satisfied the relevant requirements set out in Section 2.3(a)(i) and (ii) above at the time that such Substitute Reference Obligation was identified but does not satisfy such relevant requirements at any time thereafter.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) satisfies the requirements set out in Section 2.3 (Reference Obligation); (ii) ranks pari passu in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date); (iii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent in consultation with the parties, of the delivery and payment obligations of the parties to the Credit Derivative Transaction and (iv) is a direct obligation of the relevant Reference Entity. The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) **Substitution Trigger Event.**
- (i) If one Reference Obligation is identified as a Reference Obligation in relation to a Credit Derivative Transaction and a Substitution Trigger Event has occurred with respect to such Reference Obligation, the Calculation Agent shall (after consultation with the parties) attempt to identify one Obligation to replace such Reference Obligation until the earliest to occur of (i) 10 Business Days following the date of the relevant Substitution Trigger Event and (ii) the Extension Date (the earliest such date being the "**Substitution Deadline**").
- (ii) In the event that the Substitution Deadline is the Extension Date, the parties' obligations to each other under the Credit Derivative Transaction shall cease as of the end of the day on the Extension Date (determined by reference to Indian Standard Time).
- (iii) In the event that the Substitution Deadline is not the Extension Date and a Substitute Reference Obligation has not been identified on or prior to the Substitution Deadline:
- (A) the Business Day immediately following the Substitution Deadline will be an Early Termination Date in respect of which the Credit Derivative Transaction will be the only Terminated Transaction; and
- (B) no amount will be payable by either party pursuant to Section 6 of any ISDA Master Agreement between them (except in respect of any Unpaid Amounts).
- (iv) In the event that the Substitution Deadline is not the Extension Date and a Substitute Reference Obligation has been identified on or prior to the Substitution Deadline, then the Reference Obligation will be replaced by the relevant Substitute Reference Obligation.
- (d) **Substitution Characterisation Event**
- (i) If one Reference Obligation is identified as a Reference Obligation in relation to a Credit Derivative Transaction, a Substitution Characterisation Event has occurred

with respect to such Reference Obligation and the Calculation Agent determines (after consultation with the parties) that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.

- (ii) In the circumstances that either (A) "Cash Settlement" is specified as the Settlement Method in the related Confirmation (or is applicable pursuant to the Fallback Settlement Method in accordance with Section 12.1) and the Cash Settlement Amount is determined by reference to the Reference Obligation or (B) either "Auction Settlement" or "Physical Settlement" is specified as the Settlement Method in the related Confirmation (or, in the case of Physical Settlement, is applicable pursuant to the Fallback Settlement Method in accordance with Section 12.1) and, in each case, the Reference Obligation is the only Deliverable Obligation:
 - (I) the timing requirements of Sections 3.2(c), 3.4, 7.2, 7.8, 8.1 and 8.6, as applicable, and any other section of the Credit Derivatives Definitions that pertains to settlement, shall toll and remain suspended until the earlier to occur of the Extension Date and the date on which a Substitute Reference Obligation is identified; and
 - (II) if a Substitute Reference Obligation has not been identified on or prior to the Extension Date, the relevant obligation that is specified as the Reference Obligation or that was identified as a Substitute Reference Obligation, as applicable, will be deemed to be a valid Reference Obligation on the Extension Date for the purposes of Cash Settlement, Physical Settlement or Auction Settlement, as applicable (notwithstanding that such obligation does not satisfy the requirements set out in Section 2.3 (Reference Obligation) at such time)."

13. **Section 2.31 (Merger of Reference Entity and Seller).** Section 2.31 (Merger of Reference Entity and Seller) will be deleted in its entirety and replaced with the following:

"Section 2.31 Merger of Reference Entity and Transaction Party or of Transaction Parties.

- (a) In the event that any Transaction Party or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, the Reference Entity or the Transaction Party, as applicable, or a Transaction Party and a Reference Entity become Affiliates, an Additional Termination Event under the 2002 ISDA Master Agreement will be deemed to have occurred with Seller as the sole Affected Party (where the Transaction Party is Seller) or with Buyer as the sole Affected Party (where the Transaction Party is Buyer), with each Credit Derivative Transaction involving such Reference Entity as the Affected Transactions and Close-out Amount as applicable (irrespective of the payment measure specified by the parties in any master agreement between them) and each such Credit Derivative Transaction will be terminated in accordance with any applicable provisions set forth in the 2002 ISDA Master Agreement.

- (b) In the event that any Transaction Party consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, the other Transaction Party, or the Transaction Parties become Affiliates, an Additional Termination Event under the 2002 ISDA Master Agreement will be deemed to have occurred with both Seller and Buyer as the Affected Parties, with each Credit Derivative Transaction as the Affected Transactions and Close-out Amount as applicable (irrespective of the payment measure specified by the parties in any master agreement between them) and each such Credit Derivative Transaction will be terminated in accordance with any applicable provisions set forth in the 2002 ISDA Master Agreement.
- (c) In the event that the Calculation Agent determines that the Transaction Parties are Related Parties in respect of each other or in respect of the Reference Entity, in each case, on the Trade Date:
 - (i) the Calculation Agent will notify both parties as soon as reasonably practicable after making such determination;
 - (ii) the date that such notice to both parties is effective will be an Early Termination Date in respect of which the Credit Derivative Transaction will be the only Terminated Transaction;
 - (iii) no amount will be payable by either party pursuant to Section 6 of any ISDA Master Agreement between them (except in respect of any Unpaid Amounts); and
 - (iv) the circumstances described above will not be an Event of Default or Termination Event for the purpose of any ISDA Master Agreement between the parties."

14. **Section 3.5 (Publicly Available Information).** Section 3.5 (Publicly Available Information) is modified by:

- (A) the deletion of sub-paragraphs (iii) and (iv) of paragraph (a) thereof and replacing them with the following sub-paragraphs (iii) and (iv):

"(iii) is information contained in any petition or filing instituting a proceeding described in Section 4.2(d) or 4.7(a) against a Reference Entity or any register or other record of a court or other body responsible for recording such petition or filing or (iv) is information contained in any official gazette, order, decree, notice or filing, however described, of or filed with the central or federal or a state government, a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body."; and

- (B) including the following paragraph (d) immediately following paragraph (c) and re-numbering paragraph (d) as (e):

"(d) In relation to any information of the type described in Section 3.5(a)(iii), where the relevant Credit Event is a Restructuring under the terms of Section 4.7(a) and the information is contained in a register or other record of a court or other body responsible for recording such petition or filing, a written copy of which is not made available by such court or other body, the Notifying Party shall be required to deliver to the other party the

sworn affidavit of (i) a qualified lawyer that is currently practicing in a law firm that is a member of ISDA or (ii) a qualified lawyer that is working as in-house counsel or otherwise in the legal department in India of an entity that is a member of ISDA or FIMMDA, in each case, certifying that such person has received the verbal confirmation of an officer of the relevant court or other body that the relevant petition or filing has been made."

15. **Section 4.1 (Credit Event).** Section 4.1 (Credit Event) is modified by deleting subparagraph (c) in its entirety and replacing it with the following:

"(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or the declaration or imposition of a moratorium, standstill, roll-over or deferral, by any regulatory authority or Government Authority, whether de facto or de jure, or".

16. **Section 4.7 (Restructuring).** Section 4.7 (Restructuring) is deleted in its entirety and replaced with the following:

"Section 4.7 Restructuring. Restructuring means that any one or more of the following events occur:

- (a) the Reference Entity is subject to an order passed by the BIFR under section 17 of the Sick Industrial Companies (Special Provisions) Act, 1985 (as may be amended from time to time);
- (b) the Reference Entity is declared a 'relief undertaking' within the meaning of the term as defined under the Bombay Relief Undertakings (Special Provisions) Act, 1958 (as may be amended from time to time) or any analogous law applicable to the Reference Entity or any of the assets or undertakings of the Reference Entity, or is otherwise granted statutory protection from its creditors or from enforcement of any monetary claims; or
- (c) the Reference Entity is referred to a Corporate Debt Restructuring Empowered Group by a Corporate Debt Restructuring Cell, the nodal agency of the Corporate Debt Restructuring Forum, or any analogous action is taken under any analogous or successor mechanism thereto whether or not statutory or voluntary in nature,

provided that the occurrence of any of the events described in Section 4.7(a) to (c) (inclusive) will not be a Restructuring if such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity."

17. **Section 4.9. (Limitation on Obligations in Connection with Section 4.7).** Section 4.9 (Limitation on Obligations in Connection with Section 4.7) is deleted in its entirety.

18. **Section 7.15 (Dealer).** Section 7.15 (Dealer) will be deleted in its entirety and replaced with the following:

"Section 7.15 (Dealer). "Dealer" means a Market-maker (other than one of the parties or any Affiliate of one of the parties, unless otherwise specified in the related Confirmation) in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Dealer specified in the related Confirmation (provided that any entity that is specified in the Confirmation must be a Market-maker). If no Dealers are specified in the related Confirmation, the Calculation Agent shall select the Dealers in consultation with the parties, provided that in the case of Section 9.9, Seller shall select the Dealers in good faith and in a commercially reasonable manner. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing after consultation with the parties."

19. **Section 9.1 (Additional Representations and Agreements of the Parties).** Section 9.1 (Additional Representations and Agreements of the Parties) will be amended by the addition of the following new paragraph (e) immediately following paragraph (d):

"(e) On the Trade Date, each of Buyer and Seller represents to the other that:

- (i) it is a Market-maker; and
- (ii) it is an Indian Resident."

20. **Definitions**

"Asset-Backed Security" means any security that evidences a beneficial interest in Underlying Assets that are held by a bankruptcy remote entity for the benefit of the security holders without recourse to the originator of such Underlying Assets.

"BIFR" means the Board for Industrial and Financial Reconstruction set up under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (as may be amended from time to time) and shall include references to (i) any statutory agency, authority or body set up, constituted, organised or recognized as a successor to it; (ii) any statutory agency, authority or body set up to whom any powers, functions or duties under such Act are transferred, assigned or delegated; or (iii) any court, tribunal, other judicial or quasi-judicial body, whether in existence or constituted for this purpose, to whom the powers, functions or duties under such Act are transferred, assigned or delegated.

"Call Right" means a right that an issuer or obligor may elect to exercise to redeem the relevant obligation prior to the Scheduled Termination Date of the Credit Derivative Transaction (except in connection with a redemption event or an event of default (howsoever described) pursuant to the terms of the relevant obligation).

"Corporate Debt Restructuring Cell" means the "CDR Cell" as such term is described in the Annexure to the Revised Guidelines on Corporate Debt Restructuring (CDR) Mechanism bearing reference DBOD.No.BP.BC. 45 / 21.04.132/ 2005-06 dated 10th November 2005 (as may be amended from time to time).

"Corporate Debt Restructuring Empowered Group" means the "CDR Empowered Group" as such term is described in the Annexure to the Revised Guidelines on Corporate Debt Restructuring (CDR) Mechanism bearing reference DBOD.No.BP.BC.

45 / 21.04.132/ 2005-06 dated 10th November 2005 (as may be amended from time to time).

"Corporate Debt Restructuring Forum" means the "CDR Standing Forum" as such term is described in the Annexure to the Revised Guidelines on Corporate Debt Restructuring (CDR) Mechanism bearing reference DBOD.No.BP.BC. 45 / 21.04.132/ 2005-06 dated 10th November 2005 (as may be amended from time to time).

"Eligible SPV" means a special purpose vehicle that discloses its structure, usage, purpose and performance in its financial statements.

"Indian Resident" means a "person resident in India" as such term is defined in Section 2(v) of The Foreign Exchange Management Act, 1999 of India (as may be amended from time to time).

"Infrastructure Company" means any entity which is engaged in the list of items included in the infrastructure sector as defined in the DBOD circular RBI/2011-12/58DBOD. No.Dir.BC.7/13.03.00/ 2011-12 dated 1st July 2011 (as may be amended from time to time).

"Interest Receivable" means any obligation that represents only the interest component of another obligation that has been separated into principal and interest components.

"Market-maker" means, on any date, a 'market-maker' as such term is described in the RBI circular IDMD.PCD.No. 5053/14.03.04/20010-111 dated 23rd May 2011 (as may be amended from time to time) and any other institution specifically permitted by the RBI.

"Put Right" means a right that may be exercised by some or all of the holder(s) of an obligation pursuant to which the relevant issuer or obligor will be required to redeem such obligation prior to the Scheduled Termination Date of the Credit Derivative Transaction (except in connection with a redemption event or an event of default (howsoever described) pursuant to the terms of the relevant obligation).

"Rating Agency" means any of the 'credit rating agencies' as such term is defined at Section 2(1)(h) of the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 (as may be amended from time to time).

"Related Party" means, in respect of any party to the Credit Derivative Transaction, either:

- (i) as defined at clause 10 (*Definitions*) of "Accounting Standard (AS) 18. Related Party Disclosures"; or
- (ii) any Affiliate.

"Short Term Instrument" means any obligation (including, but not limited to, Bonds, certificates of deposit and debentures) that has a scheduled maturity date or scheduled repayment date (howsoever described) that is one year or less following its issue date.

"Transaction Party" means either of Buyer and its Related Parties or Seller and its Related Parties.

"Underlying Assets" means, with respect to an Asset-Backed Security, a pool of specified financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to the holders of such Asset-Backed Security.

Annex 3

[Buyer Contact Information:]

[Seller Contact Information:]

TRANSACTION SUPPLEMENT

Dear Sir or Madam,

This Transaction Supplement is entered into between the Buyer and Seller listed below on the Trade Date set forth below.

The purpose of this communication is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Transaction Supplement is entered into under the Market-maker Master Credit Derivatives Confirmation Agreement for Indian Corporate Bonds dated as of [] and, together with the Market-maker Master Credit Derivatives Confirmation Agreement for Indian Corporate Bonds and the Standard CDS Terms attached thereto, constitutes a "Confirmation" as referred to in the Master Agreement between the parties, as amended and supplemented from time to time.

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

Reference Entity:	[●]
Reference Obligation:	The obligation identified as follows: Primary Obligor: Reference Entity Guarantor: [●] Maturity: [●] Coupon: [●] ISIN: [●]
Trade Date:	[●]
Scheduled Termination Date:	Fixed Rate Payer Payment Date occurring on [●]
Floating Rate Payer:	[●] (the "Seller")
Fixed Rate Payer:	[●] (the "Buyer")
Initial Payment Payer:	[●]
Initial Payment Amount:	[●]
Fixed Rate:	[1.0] [5.0] per cent.
Fixed Rate Day Count Fraction:	[Actual/Actual] [Actual/365 (Fixed)]
Floating Rate Payer Calculation Amount:	INR []

Notice and Account Details:

Notice and Account Details for Party A: []

Notice and Account Details for Party B: []

[Additional Terms: []]

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Transaction Supplement and returning it to us [at the contact information listed above].

[_____]

[_____]

By: _____
Name:
Title:

By: _____
Name:
Title: