

Index Methodology for the CDX and LCDX Indices (this “Index Methodology”)

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No further roll dates will occur in relation to the CDX.NA.XO Index and the CDX.EM.Diversified Index (together, the “Discontinued Indices”). The existing series of the Discontinued Indices will continue to be governed by the rules applicable to those Discontinued Indices set out in the Index Methodology for the CDX Indices dated August 31, 2007 published by Markit North America Inc. (“Markit”). Markit maintains the right to re-introduce the Discontinued Indices at any time in the future.

All outstanding series and future series of the CDX.NA.IG Index, the CDX.NA.HY Index, the CDX.EM Index and the LCDX.NA Index shall be governed by the rules applicable to those indices set out in this Index Methodology, as amended from time to time.

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I. General Rules Applicable to Voting (the “General Rules”)

1.1 Each member (a “Member”) of Markit shall have the right at any time to designate itself as a participant in any particular index that is owned by Markit (each such index, a “Covered Index”) by notice to Markit and the administrator hired by Markit, from time to time (the “Administrator”). Each Member shall have the right at any time to cease being a participant in any particular Covered Index by notice to Markit and the Administrator.

1.2 With respect to each vote to be conducted under this Index Methodology (other than a vote under the Pricing Rules), each participant in a Covered Index that is Eligible at the time of such vote (as Eligible is defined within the rules for the particular Covered Index) shall be entitled to participate in such vote. For the avoidance of doubt, any polling of Eligible Members by the Administrator provided for hereunder is considered to be a vote for the purposes of this Index Methodology.

1.3 With respect to each vote conducted under this Index Methodology, in any circumstance in which less than all Eligible Members have provided a response, the Administrator will attempt to re-solicit Eligible Members with the objective of receiving a response from as many Eligible

Members as possible. Without limiting the foregoing sentence, seventy-five percent (75%) of Eligible Members who have designated themselves as participants with respect to a particular Covered Index will constitute a quorum for the purpose of making any determination with respect to such Covered Index under this Index Methodology. Except as expressly stated otherwise, (i) all votes conducted pursuant to this Index Methodology require participation by a quorum of the Eligible Members for the applicable Covered Index; and (ii) the votes of a majority of the Eligible Members participating in a particular vote shall determine the outcome (a “Quorum Majority”).

1.4 With respect to each Roll Date (as defined within the rules for the particular Covered Index) for a Covered Index, the Administrator will provide notice to each Member specifying the date of the commencement of the process to determine the composition of such Covered Index no later than fifteen (15) Business Days prior to such Roll Date.

1.5 All references to “Business Days” in this Index Methodology refer to business days on which the Securities Industry and Financial Markets Association declares the fixed income markets to be open. All times referred to in this Index Methodology refer to local time in New York, New York.

II. Rules for Member Eligibility to Vote (the “Eligibility Rules”)

1.1 With respect to each Covered Index for which a Member has declared itself to be a participant, it is the obligation of such Member to provide within the time frame specified by the Pricing Rules end of day prices, and other periodic prices, that are duly solicited by the Administrator on each Business Day.

1.2 The Administrator shall monitor and maintain a record of such participation by the Members. At the end of each day that the Administrator has solicited prices from a Member, the Administrator will send a written notice to such Member informing such Member whether it has met its obligation to provide prices for such day, and if it has not met such obligation, briefly stating how it has failed to meet such obligation. If over any ninety (90) day period a Member has failed more than ten percent (10%) of the time to provide prices with respect to a Covered Index by the applicable deadline, the Administrator shall send such Member a written warning notifying such Member of its failure to perform its obligations. If over any ninety (90) day period a Member has failed more than fifteen percent (15%) of the time to provide prices with respect to a Covered Index by the applicable deadline, the Administrator shall send such Member a written notice advising that such Member has been “Suspended” and may not vote with respect to such Covered Index (including providing responses to polls in connection with the roll of such Covered Index). Such Member shall remain “Suspended” until such time that the Member has provided prices by the applicable deadline at least eighty five percent (85%) of the time during the immediately preceding ninety (90) day period. For the avoidance of doubt, the first ninety (90) day period during which a Member shall be obligated to provide prices in accordance with this Index Methodology shall begin on the first day after this Index Methodology is approved by the Board of Directors of Markit and no Member shall be “Suspended” due its failure to provide prices prior to such date.

III. Rules for CDX.NA.IG Index (the “IG Rules”)

1 ADMINISTRATION OF THE INDEX

1.1 CDX.NA.IG Index (the “IG Index”) is composed of one hundred twenty five (125) investment grade entities domiciled in North America, distributed among five (5) sub-sectors. The composition of the IG Index shall be determined by the Administrator in accordance with the rules and procedures provided for herein, provided that in making any determination hereunder the Administrator may depart from, or otherwise make an exception to, the rules, timelines and procedures provided for herein (which may be at the request of an Eligible IG Member or otherwise) and provided further that any such departure or exception is approved by a Quorum Majority.

1.2 Each Member may elect, as provided in the General Rules, to participate in the process and determination of the IG Index and each related sub-index on a continuing basis (the “IG Members”). Markit and/or the Administrator shall from time to time publish an updated list of IG Members. Each IG Index will begin on September 20 (or the Business Day immediately thereafter in the event that September 20 is not a Business Day) and March 20 (or the Business Day immediately thereafter in the event that March 20 is not a Business Day) of each calendar year (each such date a “Roll Date”); provided that if a Quorum Majority votes to change the Roll Date, the Roll Date shall be the Business Day designated by such Quorum Majority.

1.3 All information submitted by IG Members to the Administrator shall be received by the Administrator in confidence.

1.4 Affiliates of an entity included in the IG Index (the “Current Index Entity”) that either (a) are guaranteed or controlled (directly or indirectly) by such Current Index Entity or (b) guarantee or control (directly or indirectly) such Current Index Entity (such affiliate, a “Relevant Affiliate”), are not eligible for inclusion in the IG Index unless:

- (i) such Current Index Entity has previously been determined to be subject to exclusion from the new IG Index; or
- (ii) such Relevant Affiliate is determined to be higher in ranking in the IG Liquidity Rankings than such Current Index Entity,

in which case such Relevant Affiliate shall be subject to inclusion in the new IG Index and such Current Index Entity will be excluded from the new IG Index as if it were being excluded in accordance with Section 3.11 of Part III below. For this purpose “control” of any entity means ownership of a majority of the voting power of that entity. For the avoidance of doubt, affiliates of an entity included in the IG Index that either (a) are not controlled or guaranteed by such entity or (b) do not control or guarantee such entity, are eligible for inclusion.

Additionally, if two Current Index Entities are determined to be affiliates, the less liquid entity will be excluded from the new IG Index. Liquidity will be determined based on the IG Liquidity Rankings.

1.5 The composition of the IG Index and related sub-indices is the same for all maturities for which a fixed rate is published.

1.6 Each IG Index and each HVOL sub-index of the IG Index that has a Roll Date of September

20 (or the Business Day immediately thereafter in the event that September 20 is not a Business Day) shall have fixed rates published for each of the following maturity dates: (i) December 20 of the first new calendar year following such Roll Date, (ii) December 20 of the second new calendar year following such Roll Date, (iii) December 20 of the third new calendar year following such Roll Date, (iv) December 20 of the fifth new calendar year following such Roll Date, (v) December 20 of the seventh new calendar year following such Roll Date, and (vi) December 20 of the tenth new calendar year following such Roll Date.

1.7 Each IG Index and each HVOL sub-index of the IG Index that has a Roll Date of March 20 (or the Business Day immediately thereafter in the event that March 20 is not a Business Day) shall have fixed rates published for each of the following maturity dates: (i) June 20 of the first new calendar year following such Roll Date, (ii) June 20 of the second new calendar year following such Roll Date, (iii) June 20 of the third new calendar year following such Roll Date, (iv) June 20 of the fifth new calendar year following such Roll Date, (v) June 20 of the seventh new calendar year following such Roll Date and (vi) June 20 of the tenth new calendar year following such Roll Date.

1.8 Each IG Index sub-index other than the HVOL sub-index that has a Roll Date of September 20 (or the Business Day immediately thereafter in the event that September 20 is not a Business Day) shall have a fixed rate published for the maturity date of December 20 of the fifth new calendar year following such Roll Date.

1.9 Each IG Index sub-index other than the HVOL sub-index that has a Roll Date of March 20 (or the Business Day immediately thereafter in the event that March 20 is not a Business Day) shall have a fixed rate published for the maturity date of June 20 of the fifth new calendar year following such Roll Date.

1.10 Each IG Index shall be composed of one hundred twenty five (125) entities, each with an equal weighting of 0.8%. Each entity in a sub-index of an IG Index will have equal or approximately equal weightings. For annexes relating to a sub-index of an IG Index published by the Administrator that contain weightings, the weighting for each entity will be equal to (i) one divided by (ii) the number of entities in such sub-index of the IG Index, expressed as a percentage with three decimal places (e.g., 3.226%). In the case where rounding is necessary to express the weightings in this manner, the entities shall be arranged in alphabetical order, with the weightings of the entities on the top of the list being rounded up to the nearest one-thousandth of a percent and the weightings of the entities on the bottom of the list being rounded down to the nearest one-thousandth of a percent until all weightings have been rounded and the aggregate of the weightings equals exactly 100%.

2 ELIGIBILITY RULES

2.1 At any time, an IG Member shall be deemed not “Eligible” if, with respect to any vote under these IG Rules, at such time the IG Member has been deemed to be “Suspended” with respect to the IG Index as provided in the Eligibility Rules in Part II above. The Administrator shall at all times have the right to deem an IG Member to be “Eligible”, notwithstanding that such IG Member has been deemed to be “Suspended”.

3 PROCESS IN CONNECTION WITH A ROLL

3.1 No later than twelve (12) Business Days prior to the Roll Date of a new IG Index, the Administrator will determine whether any entity in the then current IG Index shall be excluded from the new IG Index for the next six-month period based on one or more of the following criteria having occurred or being applicable to an entity in the then current IG Index:

(a) if any entity in the then current IG Index is assigned a Relevant Rating (as defined below) (i) by each of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), Moody's Investors Service Limited ("Moody's") and Fitch Ratings Ltd ("Fitch") and any two of such Relevant Ratings is rated below "BBB-" or "Baa3", as applicable (each such rating grade, an "IG Eligible Rating Grade"); (ii) by two, but not more than two, of S&P, Moody's and Fitch and any such Relevant Rating is rated below the IG Eligible Rating Grade; or (iii) by one only of S&P, Moody's and Fitch and such Relevant Rating is rated below the IG Eligible Rating Grade.

"Relevant Rating" means, in respect of any entity, the rating assigned to such entity by any of S&P, Moody's or Fitch; provided that, if none of S&P, Moody's or Fitch has assigned a rating to such entity but any of S&P, Moody's or Fitch has assigned a long-term credit rating to the associated reference obligation of such entity (determined in accordance with Section 3.8 below), each long-term credit rating or ratings assigned by any of S&P, Moody's or Fitch; and provided further that, if none of S&P, Moody's or Fitch has assigned a rating to such entity and no reference obligation is associated with such entity in accordance with Section 3.8 below but any of S&P, Moody's or Fitch has assigned a long-term credit rating to any unsubordinated obligation of such entity, the highest long-term credit rating assigned by any of S&P, Moody's or Fitch to any such unsubordinated obligation of such entity. For the avoidance of doubt, if either an entity has no associated reference obligation and the Administrator is not otherwise able to identify any other unsubordinated obligation of such entity or none of S&P, Moody's or Fitch has assigned a long-term credit rating to any associated reference obligation or other unsubordinated obligation of such entity, then that entity shall be excluded from the new IG Index;

(b) a merger or other corporate action has occurred or been announced in relation to any entity in the then current IG Index that renders such entity no longer suitable for inclusion as determined by the Administrator;

(c) the occurrence in respect of any entity in the then current IG Index of either (i) a Credit Event Resolution Request Date with respect to which, as at the date of determination, neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has yet occurred or (ii) a DC Credit Event Announcement on, or since, the Roll Date in respect of the then current IG Index, in each case determined in accordance with, and as defined in, the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, each published by the International Swaps and Derivatives Association, Inc. (the "Credit Derivatives Definitions");

(d) any entity in the then current IG Index which the Administrator determines has issued or guaranteed less than \$100,000,000 (or an equivalent amount in any other currency or combination of currencies) of outstanding publicly traded debt securities (which, for the avoidance of doubt, excludes other obligations including without limitation loans and equities and privately placed debt securities) that are denominated in a Standard Specified Currency (as defined in the Credit

Derivatives Definitions) and that have settled on or prior to the close of business in New York City on the 12th Business Day preceding the Roll Date; and

(e) any entity in the then current IG Index that is a market-maker in the IG Index as determined by the Administrator.

3.2 No later than eleven (11) Business Days prior to the Roll Date of a new IG Index, the Administrator will notify the Eligible IG Members of:

(a) a list of eligible entities in respect of which Credit Derivative Transactions (as defined in the Credit Derivatives Definitions) are traded under the Standard North American Corporate Transaction Type (as defined in the Credit Derivatives Definitions) that are published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names); and

(b) the sub-sector of the IG Index that the Administrator has designated to be applicable to each such entity.

3.3 In the event that any Eligible IG Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2 on or before the date falling nine (9) Business Days prior to the Roll Date of a new IG Index, the Administrator shall promptly repeat its determinations and re-notify Eligible IG Members of the items specified in Section 3.2. In the event that, following such notice, any Eligible IG Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2, this process shall be repeated until such time as no Eligible IG Members notify the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2 or until such time as the Administrator determines, acting in good faith and in a commercially reasonable manner, that it will make no further amendments to the relevant lists.

3.4 No later than nine (9) Business Days prior to the Roll Date of a new IG Index, the Administrator will notify Eligible IG Members of:

(a) a list of the entities in the then current IG Index that the Administrator has determined in accordance with Section 3.1 shall be excluded from the new IG Index; and

(b) on the basis of the IG Liquidity Rankings (as defined in Section 3.7 below), a list of (i) the entities in the then current IG Index that the Administrator has determined in accordance with Section 3.7 below shall be excluded from the new IG Index and (ii) the entities in the IG Liquidity Rankings but not in the then current IG Index that the Administrator has determined in accordance with Section 3.7 below shall be included in the new IG Index.

3.5 Not later than the date falling eight (8) Business Days prior to the Roll Date of a new IG Index, the Administrator shall organize a call with Eligible IG Members to solicit additional feedback on the accuracy of the proposed inclusions and exclusions in relation to the new IG Index notified to Eligible IG Members in accordance with Section 3.4 above. In the event that any Eligible IG Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.4, the Administrator shall promptly re-determine the inclusions and exclusions in relation to the new IG Index in accordance with Section 3.4 and this process shall be repeated until such time as no Eligible IG Member notifies the Administrator of a discrepancy or inaccuracy in

the items specified in Section 3.4 or until such time as the Administrator determines, acting in good faith and in a commercially reasonable manner, that it will make no further amendments to the relevant lists.

3.6 Not later than the date falling seven (7) Business Days prior to the Roll Date of a new IG Index (the “Index Publication Date”), the Administrator shall:

(a) subject to Section 3.12 and Section 3.15 below, make a final determination in accordance with Section 3.1 of each entity in the then current IG Index that shall be excluded from the new IG Index;

(b) subject to Section 3.12 and Section 3.15 below, make a final determination in accordance with Section 3.4 above of (i) each entity in the then current IG Index that shall be excluded from the new IG Index and (ii) each entity in the final IG Liquidity Rankings but not in the then current IG Index that shall be included in the new IG Index; and

(c) publish to the public and Eligible IG Members the composition of the provisional new IG Index for that next six-month period. At such time, the Administrator will also publish to the public the current list of Eligible IG Members for the new IG Index.

3.7 The Administrator shall, on each date on which it is required to do so in accordance with Section 3.4 and Section 3.5 (if applicable), determine:

(a) the ranking of each eligible entity specified in Section 3.2(a) above, from the most liquid to the most illiquid, based on the market risk activity in relation to such entities during the six month period prior to the last Friday of (i) the February preceding the new Roll Date if such Roll Date is due to occur in March or (ii) the August preceding the new Roll Date if such Roll Date is due to occur in September, in each case as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names). To the extent that two or more entities are determined to be equally liquid, the Administrator shall rank such entities from the most liquid to the most illiquid based first on the number of contracts that are specified to have been entered into in relation to such entities as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names) and, if an equal number of contracts are specified, in alphabetical order (such overall rankings, the “IG Liquidity Rankings”);

(b) the entities that are in the highest 20% in ranking of the entities in the IG Liquidity Rankings and that are not included in the then current IG Index, which entities shall be included in the new IG Index;

(c) the entities that are in the lowest 30% in ranking of the entities in the IG Liquidity Rankings and that are included in the then current IG Index, which entities are to be excluded from the new IG Index; and

(d) the number of entities to be included in the new IG Index in accordance with Section 3.7(b) above (the “Number of Initial Additions”) and the number of entities to be excluded from the new IG Index in accordance with Section 3.1 and Section 3.7(c) above (the “Number of Initial Exclusions”), and:

(i) if the Number of Initial Additions exceeds the Number of Initial Exclusions, then a further number of entities in the then current IG Index equal in number to such excess shall be excluded from the new IG Index and such entities shall consist of the relevant number of entities that are in the then current IG Index with the lowest ranking in the IG Liquidity Rankings and that have not previously been determined to be subject to exclusion from the new IG Index; and

(ii) if the Number of Initial Exclusions exceeds the Number of Initial Additions, then a further number of entities equal in number to such excess shall be included in the new IG Index and such entities shall consist of the relevant number of entities that are not included in the then current IG Index with the highest ranking in the IG Liquidity Rankings and that have not previously been determined to be subject to inclusion in the new IG Index.

3.8 After the composition of the new IG Index for the next six-month period has been finalized, the Administrator will identify a single reference obligation of each entity in the IG Index (other than entities identified as monoline insurers by the Administrator), senior in priority of payment, based on the Reference Entity Database (“RED”). In the event that a reference obligation that is senior in priority of payment for an entity in the new IG Index is not listed in RED, the Administrator will select the most liquid of the senior in priority of payment reference obligations associated with such entity based on the market risk activity in relation to such entities and such obligations during the six month period prior to the last Friday of (i) the February preceding the new Roll Date if such Roll Date is due to occur in March or (ii) the August preceding the new Roll Date if such Roll Date is due to occur in September, in each case as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names) or, if the most liquid Credit Derivative Transaction referencing the relevant entity does not specify a reference obligation in respect of such entity, then no reference obligation shall be associated with such entity. Once the Administrator has identified a single reference obligation for each non-monoline entity in the IG Index (or determined that no reference obligation will be associated with any such non-monoline entity), it will undertake all reasonable efforts to procure the review of the documentation relating to any such reference obligation on the same basis as if such reference obligation were in RED and notify Eligible IG Members of a preliminary list of such identified reference obligations for each entity and entities in respect of which it has determined that no reference obligation will be associated. If within one (1) Business Day after notifying the Eligible IG Members of such list, at least three Eligible IG Members have informed the Administrator in writing of an objection to any determination specified on such list, the Administrator will submit the matter to the Eligible IG Members for a vote. If (i) a Quorum Majority do not approve of such determination and no other course of action is approved by a Quorum Majority or (ii) if the Administrator cannot procure the review of the reference obligation documentation and a Quorum Majority does not approve of the inclusion of such reference obligation without such review, such entity will be excluded from the new IG Index as if it were being excluded in accordance with Section 3.11 below.

3.9 No later than six (6) Business Days prior to the Roll Date of a new IG Index, the Administrator will determine the thirty (30) entities within the new IG Index that, as at the date of determination, have the largest average CDS spread over the ninety (90) day period immediately preceding such date by reference to the Markit End of Day composite spread on transactions with a 5 year maturity (or if such spreads are not available in respect of any entity for the preceding ninety

(90) day period, the average CDS spread in respect of such entity shall be determined in relation to those days during the preceding ninety (90) day period for which such information is available) (the “Average CDS Spread”). These entities shall constitute the HVOL sub-index of the new IG Index. In the event that two or more entities are determined to have the same Average CDS Spread and, as a result, it is not possible to determine which entity is the thirtieth (30th) entity among the entities with the largest Average CDS Spread, then each entity with such Average CDS Spread, shall be included in the HVOL sub-index of the new IG Index based on their ranking amongst such entities in the IG Liquidity Rankings starting with the highest first, until the thirtieth (30th) entity is included.

3.10 No later than 11:00 a.m. on the date five (5) Business Days prior to the Roll Date of a new IG Index (the “HVOL Index Publication Date”), the Administrator will publish to the public and Eligible IG Members the composition of the provisional new HVOL sub-index for that next six-month period.

3.11 On any day up to, and including, the date falling four (4) Business Days prior to the Roll Date of a new IG Index, the Administrator may determine that any entity that:

(a) is in the then current IG Index; or

(b) the Administrator had previously determined in accordance with Section 3.4 shall be included in the new IG Index,

fails any of the criteria specified in Section 3.1(a), Section 3.1(b), Section 3.1(d) or Section 3.1(e) and shall be excluded from the new IG Index.

3.12 If the Administrator determines that any entity shall be excluded from the new IG Index in accordance with Section 3.11 then the entity that is not in the then current IG Index with the highest ranking in the IG Liquidity Rankings and that has not previously been determined to be subject to inclusion in the new IG Index shall be included in the new IG Index as a replacement for such entity. If the entity being excluded from the new IG Index was to be a constituent of the HVOL sub-index then the entity in the new IG Index (which may include the replacement entity determined in accordance with the preceding sentence) with the largest Average CDS Spread that has not previously been determined to be subject to inclusion in the HVOL sub-index shall be included in the HVOL sub-index as a replacement for such entity.

3.13 Not later than three (3) Business Days prior to the Roll Date of a new IG Index (the “Fixed Rate Determination Date”), the fixed rate for each maturity of the new IG Index and the HVOL sub-index will be determined by the Administrator and the Administrator will publicize such fixed rates.

3.14 On any day up to, and including, the date falling two (2) Business Days prior to the Roll Date of a new IG Index, the Administrator may determine that any entity that:

(a) is in the then current IG Index; or

(b) the Administrator had previously determined in accordance with Section 3.4 shall be

included in the new IG Index,

fails the criteria specified in Section 3.1(c) and shall be excluded from the new IG Index.

3.15 If the Administrator determines that any entity shall be excluded from the new IG Index in accordance with Section 3.14 then the entity that is not in the then current IG Index with the highest ranking in the IG Liquidity Rankings and that has not previously been determined to be subject to inclusion in the new IG Index shall be included in the new IG Index as a replacement for such entity. If the entity being excluded from the new IG Index was to be a constituent of the HVOL sub-index then the entity in the new IG Index (which may include the replacement entity determined in accordance with the preceding sentence) with the largest Average CDS Spread that has not previously been determined to be subject to inclusion in the HVOL sub-index shall be included in the HVOL sub-index as a replacement for such entity.

3.14 Two (2) Business Days prior to the Roll Date of a new IG Index, the Administrator will publish to the Eligible IG Members a draft of the annex for the IG Index and each sub-index along with the weighting and final reference obligations (if applicable) for each entity within the new IG Index and each new sub-index. The final annex for a new IG Index and each sub-index will be published after 5:00 p.m. on the Business Day immediately preceding the Roll Date of such new IG Index.

3.15 Products based on the new IG Index will begin trading on the Roll Date of such new IG Index.

4 CHANGES TO AN IG INDEX

4.1 Removal of a Reference Entity. In the event that three or more Eligible IG Members request that the Administrator remove an entity from an IG Index (specifying in writing the reason for such proposed removal), on the Business Day on which the Administrator receives the third such request, or on the following Business Day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible IG Member to indicate whether such Eligible IG Member agrees that such entity should be removed from such IG Index. In the event that a Quorum Majority agrees that the entity should be removed from such IG Index, the Administrator shall remove such entity from such IG Index and any relevant sub-indices and immediately publicize such removal and the resulting new composition of such IG Index and any relevant sub-indices with effect from the Business Day immediately following such publication. In addition, the Administrator will publish a new version of the annex for such IG Index and any relevant sub-indices in which the weightings of the remaining entities in such IG Index or sub-indices will remain constant and the removed entity will have a weighting of zero.

IV. Rules for CDX.NA.HY Index (the “HY Rules”)

1 ADMINISTRATION OF THE INDEX

1.1 CDX.NA.HY Index (the “HY Index”) is composed of one hundred (100) non-investment grade entities domiciled in North America, distributed among ten (10) sub-sectors. The composition of the HY Index shall be determined by the Administrator in accordance with the rules

and procedures provided for herein, provided that in making any determination hereunder the Administrator may depart from, or otherwise make an exception to, the rules, timelines and procedures provided for herein (which may be at the request of an Eligible HY Member or otherwise) and provided further that any such departure or exception is approved by a Quorum Majority.

1.2 Each Member may elect, as provided in the General Rules, to participate in the process and determination of the HY Index and each related sub-index on a continuing basis (the “HY Members”). Markit and/or the Administrator shall from time to time publish an updated list of HY Members. Each HY Index will begin on September 27 (or the Business Day immediately thereafter in the event that September 27 is not a Business Day) and March 27 (or the Business Day immediately thereafter in the event that March 27 is not a Business Day) of each calendar year (each such date a “Roll Date”); provided that if a Quorum Majority votes to change the Roll Date, the Roll Date shall be the Business Day designated by such Quorum Majority.

1.3 All information submitted by HY Members to the Administrator shall be received by the Administrator in confidence.

1.4 Affiliates of an entity included in the HY Index (the “Current Index Entity”) that either (a) are guaranteed or controlled (directly or indirectly) by such Current Index Entity or (b) guarantee or control (directly or indirectly) such Current Index Entity (such affiliate, a “Relevant Affiliate”), are not eligible for inclusion in the HY Index unless:

- (i) such Current Index Entity has previously been determined to be subject to exclusion from the new HY Index; or
- (ii) such Relevant Affiliate is determined to be higher in ranking in the HY Liquidity Rankings than such Current Index Entity,

in which case such Relevant Affiliate shall be subject to inclusion in the new HY Index and such Current Index Entity will be excluded from the new HY Index as if it were being excluded in accordance with Section 3.10 of Part III below. For this purpose “control” of any entity means ownership of a majority of the voting power of that entity. For the avoidance of doubt, affiliates of an entity included in the HY Index that either (a) are not controlled or guaranteed by such entity or (b) do not control or guarantee such entity, are eligible for inclusion.

Additionally, if two Current Index Entities are determined to be affiliates, the less liquid entity will be excluded from the new HY Index. Liquidity will be determined based on the HY Liquidity Rankings.

1.5 The composition of the HY Index and related sub-indices is the same for all maturities for which a fixed rate is published.

1.6 Each HY Index and each sub-index of the HY Index that has a Roll Date of September 27 (or the Business Day immediately thereafter in the event that September 27 is not a Business Day) shall have fixed rates published for each of the following maturity dates: (i) December 20 of the third new calendar year following such Roll Date, (ii) December 20 of the fifth new calendar year

following such Roll Date, (iii) December 20 of the seventh new calendar year following such Roll Date and (iv) December 20 of the tenth new calendar year following such Roll Date.

1.7 Each HY Index and each sub-index of the HY Index that has a Roll Date of March 27 (or the Business Day immediately thereafter in the event that March 27 is not a Business Day) shall have fixed rates published for each of the following maturity dates: (i) June 20 of the third new calendar year following such Roll Date, (ii) June 20 of the fifth new calendar year following such Roll Date, (iii) June 20 of the seventh new calendar year following such Roll Date and (iv) June 20 of the tenth new calendar year following such Roll Date.

1.8 Each HY Index sub-index that has a Roll Date of September 27 (or the Business Day immediately thereafter in the event that September 27 is not a Business Day) shall have a fixed rate published for the maturity date of December 20 of the fifth new calendar year following such Roll Date.

1.9 Each HY Index sub-index that has a Roll Date of March 27 (or the Business Day immediately thereafter in the event that March 27 is not a Business Day) shall have a fixed rate published for the maturity date of June 20 of the fifth new calendar year following such Roll Date.

1.10 Each HY Index shall be composed of one hundred (100) entities, each with an equal weighting of 1.0%. Each entity in a sub-index of an HY Index will have equal or approximately equal weightings. For annexes relating to a sub-index of an HY Index published by the Administrator that contain weightings, the weighting for each entity will be equal to (i) one divided by (ii) the number of entities in such sub-index of the HY Index, expressed as a percentage with three decimal places (e.g., 3.226%). In the case where rounding is necessary to express the weightings in this manner, the entities shall be arranged in alphabetical order, with the weightings of the entities on the top of the list being rounded up to the nearest one-thousandth of a percent and the weightings of the entities on the bottom of the list being rounded down to the nearest one-thousandth of a percent until all weightings have been rounded and the aggregate of the weightings equals exactly 100%.

2 ELIGIBILITY RULES

2.1 At any time, an HY Member shall be deemed not “Eligible” if, with respect to any vote under these HY Rules, at such time the HY Member has been deemed to be “Suspended” with respect to the HY Index as provided in the Eligibility Rules in Part II above. The Administrator shall at all times have the right to deem an HY Member to be “Eligible”, notwithstanding that such HY Member has been deemed to be “Suspended”.

3 PROCESS IN CONNECTION WITH A ROLL

3.1 No later than twelve (12) Business Days prior to the Roll Date of a new HY Index, the Administrator will determine whether any entity in the then current HY Index shall be excluded from the new HY Index for the next six-month period based on one or more of the following criteria having occurred or being applicable to an entity in the then current HY Index:

- (a) if any entity in the then current HY Index is assigned a Relevant Rating (as defined below)

(i) by two or more of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), Moody's Investors Service Limited ("Moody's") and Fitch Ratings Ltd ("Fitch") and any two or more of such Relevant Ratings is rated "BBB-" or "Baa3" or higher, as applicable (each such rating grade, an "HY Ineligible Rating Grade"); or (ii) by one only of S&P, Moody's and Fitch and such Relevant Rating is rated equal to or higher than the HY Ineligible Rating Grade.

"Relevant Rating" means, in respect of any entity in respect of which any of S&P, Moody's or Fitch has assigned a long-term credit rating to the associated reference obligation of such entity (determined in accordance with Section 3.8 below), each long-term credit rating assigned by any of S&P, Moody's or Fitch; provided that, if no reference obligation is associated with such entity in accordance with Section 3.8 below but any of S&P, Moody's or Fitch has assigned a long-term credit rating to any unsubordinated obligation of such entity, the highest long-term credit rating assigned by any of S&P, Moody's or Fitch to any such unsubordinated obligation of such entity. For the avoidance of doubt, if either an entity has no associated reference obligation and the Administrator is not otherwise able to identify any other unsubordinated obligation of such entity or none of S&P, Moody's or Fitch has assigned a long-term credit rating to any associated reference obligation or other unsubordinated obligation of such entity, then that entity shall be excluded from the new HY Index;

(b) a merger or other corporate action has occurred or been announced in relation to any entity in the then current HY Index that renders such entity no longer suitable for inclusion as determined by the Administrator;

(c) the occurrence in respect of any entity in the then current HY Index of either (i) a Credit Event Resolution Request Date with respect to which, as at the date of determination, neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has yet occurred or (ii) a DC Credit Event Announcement on, or since, the Roll Date in respect of the then current HY Index, in each case determined in accordance with, and as defined in, the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, each published by the International Swaps and Derivatives Association, Inc. (the "Credit Derivatives Definitions");

(d) any entity in the then current HY Index which the Administrator determines has issued or guaranteed less than \$100,000,000 (or an equivalent amount in any other currency or combination of currencies) of outstanding publicly traded debt securities (which, for the avoidance of doubt, excludes other obligations including without limitation loans and equities and privately placed debt securities) that are denominated in a Standard Specified Currency (as defined in the Credit Derivatives Definitions) and that have settled on or prior to the close of business in New York City on the 12th Business Day preceding the Roll Date; and

(e) any entity in the then current HY Index that is a market-maker in the HY Index as determined by the Administrator.

3.2 No later than eleven (11) Business Days prior to the Roll Date of a new HY Index, the Administrator will notify the Eligible HY Members of:

(a) a list of eligible entities in respect of which Credit Derivative Transactions (as defined in the Credit Derivatives Definitions) are traded under the Standard North American Corporate Transaction Type (as defined in the Credit Derivatives Definitions) that are published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names);

(b) the sub-sector of the HY Index that the Administrator has designated to be applicable to each such entity; and

(c) the rating applicable to each such entity determined by the Administrator on the basis that if an entity is assigned a Relevant Rating (as defined in Section 3.1 above) (i) by each of S&P, Moody's and Fitch and none of the ratings are the same or equivalent, the median of such ratings shall be the applicable rating, (ii) by each of S&P, Moody's and Fitch and two or more of the ratings are the same or equivalent, such identical or equivalent ratings shall be the applicable rating, (iii) by two, but not more than two, of S&P, Moody's and Fitch and such ratings are not the same or equivalent, the lower of such ratings shall be the applicable rating, (iv) by two only of S&P, Moody's and Fitch such ratings are the same or equivalent, such identical or equivalent ratings shall be the applicable rating and (v) by one only of S&P, Moody's and Fitch, such rating shall be the applicable rating.

3.3 In the event that any Eligible HY Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2 on or before the date falling nine (9) Business Days prior to the Roll Date of a new HY Index, the Administrator shall promptly repeat its determinations and re-notify Eligible HY Members of the items specified in Section 3.2. In the event that, following such notice, any Eligible HY Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2, this process shall be repeated until such time as no Eligible HY Members notify the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.2 or until such time as the Administrator determines, acting in good faith and a commercially reasonable manner, that it will make no further amendments to the relevant lists.

3.4 No later than nine (9) Business Days prior to the Roll Date of a new HY Index, the Administrator will notify Eligible HY Members of:

(a) a list of the entities in the then current HY Index that the Administrator has determined in accordance with Section 3.1 shall be excluded from the new HY Index; and

(b) on the basis of the HY Liquidity Rankings (as defined in Section 3.7 below) and the sub-sector that the Administrator has designated to be applicable to each entity specified in the HY Liquidity Rankings, a list of:

(i) the entities in the then current HY Index that the Administrator has determined in accordance with Section 3.7 below shall be excluded from the new HY Index; and

(ii) the entities in the HY Liquidity Rankings but not in the then current HY Index that the Administrator has determined in accordance with Section 3.7 below shall be included in the new HY Index.

3.5 Not later than the date falling eight (8) Business Days prior to the Roll Date of a new HY Index, the Administrator shall organize a call with Eligible HY Members to solicit additional feedback on the accuracy of the proposed inclusions and exclusions in relation to the new HY Index notified to Eligible HY Members in accordance with Section 3.4 above. In the event that any Eligible HY Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.4, the Administrator shall promptly re-determine the inclusions and exclusions in relation to the new HY Index in accordance with Section 3.4 and this process shall be repeated until such time as no Eligible HY Member notifies the Administrator of a discrepancy or inaccuracy in the items specified in Section 3.4 or until such time as the Administrator determines, acting in good faith and a commercially reasonable manner, that it will make no further amendments to the relevant lists.

3.6 Not later than the date falling seven (7) Business Days prior to the Roll Date of a new HY Index (the “Index Publication Date”), the Administrator shall:

(a) subject to Section 3.11 and Section 3.14 below, make a final determination in accordance with Section 3.1 of each entity in the then current HY Index that shall be excluded from the new HY Index;

(b) subject to Section 3.11 and Section 3.14 below, make a final determination in accordance with Section 3.4 above of (i) each entity in the then current HY Index that shall be excluded from the new HY Index and (ii) each entity in the final HY Liquidity Rankings but not in the then current HY Index that shall be included in the new HY Index; and

(c) publish to the public and Eligible HY Members the composition of the provisional new HY Index for that next six-month period. At such time, the Administrator will also publish to the public the current list of Eligible HY Members for the new HY Index.

3.7 The Administrator shall, on each date on which it is required to do so in accordance with Section 3.4 and Section 3.5 (if applicable):

(a) determine the ranking of each eligible entity specified in Section 3.2(a) above, from the most liquid to the most illiquid, based on the market risk activity in relation to such entities during the six month period prior to the last Friday of (i) the February preceding the new Roll Date if such Roll Date is due to occur in March or (ii) the August preceding the new Roll Date if such Roll Date is due to occur in September, in each case as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names). To the extent that two or more entities are determined to be equally liquid, the Administrator shall rank such entities from the most liquid to the most illiquid based first on the number of contracts that are specified to have been entered into in relation to such entities as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names) and, if an equal number of contracts are specified, in alphabetical order (such overall rankings, the “HY Liquidity Rankings”);

(b) determine each sector in relation to which the aggregate weighting of the entities in the then current HY Index in such sector is less than the aggregate weighting of the entities in the sector that the Administrator determines to be the equivalent in the most recent series of the Markit iBoxx USD Liquid High Yield Index (a “Sector Deficiency”) and shall include in the new HY

Index one entity, being the entity with the highest ranking in the HY Liquidity Rankings that (i) is in the sector with the greatest Sector Deficiency amongst those sectors that have entities in them that satisfy sub-paragraph (ii), and (ii) is not included in the then current HY Index and has not previously been determined to be subject to inclusion in the new HY Index;

Additionally, any new entity that is being added to the index will meet the criteria that if (A) two or more Relevant Ratings have been assigned to it, the highest of those Relevant Ratings is equal to or lower than “BB+” or “Ba1”, as applicable, and (B) if one Relevant Rating only has been assigned to it, such rating is equal to or lower than “BB+” or “Ba1”, as applicable, and such entity is not on a positive ratings watch;

(c) following its determination in Section 3.7(b) above, the Administrator shall repeat the process specified in Section 3.7(b) until such time as the number of entities that shall be included in the new HY Index in accordance with Section 3.7(b) is equal to the aggregate number of entities excluded from the new HY Index in accordance with Section 3.1 above;

(d) determine each sector in relation to which the aggregate weighting of the entities in the then current HY Index in such sector exceeds the aggregate weighting of the entities in the sector that the Administrator determines to be the equivalent in the most recent series of the Markit iBoxx USD Liquid High Yield Index (a “Sector Excess”) by an amount equal to or greater than 3% and shall exclude from the new HY Index one entity in each such sector, being the entity in the then current HY Index that is lowest in ranking in the HY Liquidity Rankings;

(e) determine each sector with a Sector Deficiency and include in the new HY Index one entity, being the entity with the highest ranking in the HY Liquidity Rankings that (i) is in the sector with the greatest Sector Deficiency amongst those sectors that have entities in them that satisfy sub-paragraph (ii), and (ii) is not included in the then current HY Index and has not previously been determined to be subject to inclusion in the new HY Index;

Additionally, any new entity that is being added to the index will meet the criteria that if (A) two or more Relevant Ratings have been assigned to it, the highest of those Relevant Ratings is equal to or lower than “BB+” or “Ba1”, as applicable, and (B) if one Relevant Rating only has been assigned to it, such rating is equal to or lower than “BB+” or “Ba1”, as applicable, and such entity is not on a positive ratings watch;

(f) following its determination in Section 3.7(e) above, the Administrator shall repeat the process specified in Section 3.7(e) until such time as the number of entities that shall be included in the new HY Index in accordance with Section 3.7(e) is equal to the aggregate number of entities excluded from the new HY Index in accordance with Section 3.7(d) above;

(g) following its determinations in Section 3.7(b), Section 3.7(c), Section 3.7(d), Section 3.7(e) and Section 3.7(f) above, the Administrator shall:

(i) re-calculate the aggregate weightings of the entities in the new HY Index by the rating of each entity determined in accordance with Section 3.2(c) above (each group of entities in the new HY Index with the same or an equivalent rating, a “Ratings Group”);

(ii) determine each Ratings Group in relation to which the aggregate weighting of the entities comprising such Ratings Group exceeds the aggregate weighting of the entities that the Administrator determines comprise the equivalent Ratings Group in the most recent series of the Markit iBoxx USD Liquid High Yield Index (the “iBoxx Comparative Ratings Group”) by an amount equal to or greater than 3% and shall exclude from the new HY Index one entity from each such Ratings Group that is (i) designated to the sector with the greatest Sector Excess of those represented in the relevant Ratings Group and (ii) lowest in ranking in the HY Liquidity Rankings of the entities of such Ratings Group in such sector; and

(h) determine each Ratings Group with a rating of equal to or lower than “BB+” or “Ba1”, as applicable, in relation to which the aggregate weighting of the entities comprising each such Ratings Group is less than the aggregate weighting of the entities comprising the iBoxx Comparative Ratings Group (a “Ratings Group Deficiency”) and shall include in the new HY Index the highest ranking entity in the HY Liquidity Rankings that satisfies the following criteria: (i) it has the same rating as the Ratings Group that has the greatest Ratings Group Deficiency (the “Most Deficient Ratings Group”), (ii) if (A) two or more Relevant Ratings have been assigned to it, the highest of those Relevant Ratings is equal to or lower than “BB+” or “Ba1”, as applicable, and (B) if one Relevant Rating only has been assigned to it, such rating is equal to or lower than “BB+” or “Ba1”, as applicable, and such entity is not on a positive ratings watch, (iii) it is from the sector with the greatest Sector Deficiency of those sectors (A) represented in the Most Deficient Ratings Group and (B) that have entities in them that satisfy sub-paragraph (iv), and (iv) it is not included in the then current HY Index and has not previously been determined to be subject to inclusion in the new HY Index;

(i) following its determination in Section 3.7(h) above, the Administrator shall repeat the process specified in Section 3.7(h) until such time as the number of entities that shall be included in the new HY Index in accordance with Section 3.7(h) is equal to the aggregate number of entities excluded from the new HY Index in accordance with Section 3.7(g) above.

3.8 After the composition of the new HY Index for the next six-month period has been finalized, the Administrator will identify a single reference obligation of each entity in the HY Index, with a reference obligation payment priority chosen by the Administrator, based on the Reference Entity Database (“RED”). In the event that a reference obligation of the relevant payment priority for an entity in the new HY Index is not listed in RED, the Administrator will select the most liquid of the reference obligations associated with such entity based on the market risk activity in relation to such entities and such obligations during the six month period prior to the last Friday of (i) the February preceding the new Roll Date if such Roll Date is due to occur in March or (ii) the August preceding the new Roll Date if such Roll Date is due to occur in September, in each case as published on the DTCC Trade Information Warehouse (market risk activity for the Top 1000 names), which for the avoidance of doubt, may be a subordinated obligation of the entity or, if the most liquid Credit Derivative Transaction referencing the relevant entity does not specify a reference obligation in respect of such entity, then no reference obligation shall be associated with such entity. Once the Administrator has identified a single reference obligation for each entity in the HY Index (or determined that no reference obligation will be associated with any such entity), it will undertake all reasonable efforts to procure the review of the documentation relating to any such

reference obligation on the same basis as if such reference obligation were in RED and notify Eligible HY Members of a preliminary list of such identified reference obligations for each entity and entities in respect of which it has determined that no reference obligation will be associated. If within one (1) Business Day after notifying the Eligible HY Members of such list, at least three Eligible HY Members have informed the Administrator in writing of an objection to any determination specified on such list, the Administrator will submit the matter to the Eligible HY Members for a vote. If (i) a Quorum Majority do not approve of such determination and no other course of action is approved by a Quorum Majority or (ii) if the Administrator cannot procure the review of the reference obligation documentation and a Quorum Majority does not approve of the inclusion of such reference obligation without such review, such entity will be excluded from the new HY Index as if it were being excluded in accordance with Section 3.10 below.

3.9 No later than six (6) Business Days prior to the Roll Date, the Administrator will also determine the composition of the “B” sub-index that shall be comprised of each entity in the new HY Index with a rating of “B-”, “B”, “B+”, “B3”, “B2” or “B1” (as applicable) (determined in accordance with Section 3.2(c) above) and the “BB” sub-index that shall be comprised of each entity in the new HY Index with a rating of “BB-”, “BB”, “BB+”, “Ba3”, “Ba2” or “Ba1” (as applicable) (determined in accordance with Section 3.2(c) above).

3.10 On any day up to, and including, the date falling four (4) Business Days prior to the Roll Date of a new HY Index, the Administrator may determine that any entity that:

(a) is in the then current HY Index; or

(b) the Administrator had previously determined in accordance with Section 3.4 shall be included in the new HY Index,

fails any of the criteria specified in Section 3.1(a), Section 3.1(b), Section 3.1(d) or Section 3.1(e) and shall be excluded from the new HY Index.

3.11 If the Administrator determines that any entity shall be excluded from the new HY Index in accordance with Section 3.10 then the entity that is not in the then current HY Index with the highest ranking in the HY Liquidity Rankings, that is in the same sector and Ratings Group as the entity that shall be excluded and that has not previously been determined to be subject to inclusion in the new HY Index shall be included in the new HY Index as a replacement for such entity.

3.12 Not later than three (3) Business Days prior to the Roll Date of a new HY Index (the “Fixed Rate Determination Date”), the fixed rate for each maturity of the new HY Index and for the maturity for each sub-index of the new HY Index will be determined by the Administrator and the Administrator will publicize such fixed rates.

3.13 On any day up to, and including, the date falling two (2) Business Days prior to the Roll Date of a new HY Index, the Administrator may determine that any entity that:

(a) is in the then current HY Index; or

(b) the Administrator had previously determined in accordance with Section 3.4 shall be

included in the new HY Index,

fails the criteria specified in Section 3.1(c) and shall be excluded from the new HY Index.

3.14 If the Administrator determines that any entity shall be excluded from the new HY Index in accordance with Section 3.13 then the entity that is not in the then current HY Index with the highest ranking in the HY Liquidity Rankings, that is in the same sector and Ratings Group as the entity that shall be excluded and that has not previously been determined to be subject to inclusion in the new HY Index shall be included in the new HY Index as a replacement for such entity.

3.15 Two (2) Business Days prior to the Roll Date of a new HY Index, the Administrator will publish to the Eligible HY Members a draft of the annex for the HY Index and each sub-index along with the weighting and final reference obligations (if applicable) for each entity within the new HY Index and each new sub-index. The final annex for a new HY Index and each sub-index will be published after 5:00 p.m. on the Business Day immediately preceding the Roll Date of such new HY Index.

3.16 Products based on the new HY Index will begin trading on the Roll Date of such new HY Index.

4 CHANGES TO AN HY INDEX

4.1 Removal of a Reference Entity. In the event that three or more Eligible HY Members request that the Administrator remove an entity from an HY Index (specifying in writing the reason for such proposed removal), on the Business Day on which the Administrator receives the third such request, or on the following Business Day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible HY Member to indicate whether such Eligible HY Member agrees that such entity should be removed from such HY Index. In the event that a Quorum Majority agrees that the entity should be removed from such HY Index, the Administrator shall remove such entity from such HY Index and any relevant sub-indices and immediately publicize such removal and the resulting new composition of such HY Index and any relevant sub-indices with effect from the Business Day immediately following such publication. In addition, the Administrator will publish a new version of the annex for such HY Index and any relevant sub-indices in which the weightings of the remaining entities in such HY Index or sub-indices will remain constant and the removed entity will have a weighting of zero.

V. Rules for CDX.EM Index (the “EM Rules”)

1 ADMINISTRATION OF THE INDEX

1.1 CDX.EM Index (the “EM Index”) is composed of sovereign issuers (each an “Issuer”) from three regions: (i) Latin America; (ii) Eastern Europe, the Middle East and Africa; and (iii) Asia. The composition of the EM Index shall be determined based on submissions by each Member that elects, as provided in the General Rules, to participate in the determination of the EM Index on a continuing basis (the “EM Members”). CDS and/or the Administrator shall from time to time publish an updated list of EM Members. Each EM Index will begin on September 20 (or the next Business Day in the event that September 20 is not a Business Day) and March 20 (or the next

Business Day in the event that March 20 is not a Business Day) of each calendar year (each such date a “Roll Date”); provided that if a Quorum Majority votes to change the Roll Date, the Roll Date shall be the Business Day designated by such Quorum Majority.

1.2 Changes to the composition and weightings of a current EM Index and the determination of the EM Index will be administered by the Administrator based upon the rules and procedures as provided herein. All information submitted by EM Members to the Administrator shall be received by the Administrator in confidence.

1.3 Each EM Index that has a Roll Date of September 20 or the next Business Day following September 20 shall have a fixed rate published for the maturity date of December 20 of the fifth new calendar year following such Roll Date.

1.4 Each EM Index that has a Roll Date of March 20 or the next Business Day following March 20 shall have a fixed rate published for the maturity date of June 20 of the fifth new calendar year following such Roll Date.

2 ELIGIBILITY RULES

2.1 At any time, an EM Member shall be deemed not “Eligible” if any of the following criteria apply: (i) with respect to any vote under these EM Rules, if at such time the EM Member has been deemed to be Suspended with respect to the EM Index for certain failures to provide daily pricing, as provided in the Eligibility Rules; or (ii) with respect to any vote to eliminate a particular Issuer from the EM Index conducted pursuant to Section 3.1.1, where the EM Member has failed to respond to the polling for a list of Issuers to be eliminated from the EM Index pursuant to Section 3.1; or (iii) with respect to any vote to add a particular Issuer to the EM Index conducted pursuant to Section 3.1.1, where the EM Member has failed to respond to the polling for a list of Issuers to be added to the EM Index pursuant to Section 3.1. In the event that an EM Member becomes not Eligible for any of the foregoing reasons, the Administrator will provide the EM Member that has become not Eligible a written notice informing it of the reason(s) it is not Eligible. Notwithstanding the foregoing, CDS shall at all times have the right to waive any or all of the foregoing criteria and to deem an EM Member to be Eligible.

3 POLLING PROCESS IN CONNECTION WITH A ROLL

3.1 Ten (10) Business Days prior to the Roll Date of a new EM Index, the Administrator will solicit each Eligible EM Member to identify: (i) those Issuers not in the then current EM Index which such Eligible EM Member wishes to be added to the next EM Index, (ii) those Issuers in the then current EM Index that in such Eligible EM Member’s judgment should be eliminated from the next EM Index, and (iii) whether such Eligible EM Member wishes to change the weightings of the next EM Index even if the Issuers in the EM Index do not change. An Eligible EM Member shall propose the elimination of an Issuer from the EM Index only where in such Eligible EM Member’s judgment such Issuer’s outstanding debt or credit default swap contracts in respect of such Issuer has/have become materially less liquid. If three or more Eligible EM Members express a preference to eliminate an Issuer, add an Issuer or change the weightings of the EM Index, the following provisions will apply:

3.1.1 No later than nine (9) Business Days prior to the Roll Date, the Administrator will solicit each Eligible EM Member to vote: (i) with respect to each such proposal to eliminate an Issuer from the next EM Index; (ii) with respect to each such proposal to add an Issuer to the next EM Index; and (iii) with respect to each such proposal to change the weightings of the next EM Index even if the Issuers in the EM Index do not change.

3.1.2 The Administrator will eliminate from the EM Index all Issuers that the Quorum Majority has voted pursuant to Section 3.1.1 to have eliminated from the EM Index. The Administrator will add to the EM Index all Issuers that a Quorum Majority has voted pursuant to Section 3.1.1 to add to the EM Index.

3.1.3 If, after Issuers have been eliminated from and added to the new EM Index pursuant to Section 3.1.2, the new EM Index contains fewer than seven (7) Issuers and no later than eight (8) Business Days prior to the Roll Date, the Administrator will determine the number of additional Issuers required to add to those Issuers remaining in the new EM Index to total seven (7) and will solicit each Eligible EM Member to submit a list of Issuers that includes two-times the number of Issuers so required. The Administrator will add to the new EM Index those Issuers receiving the greatest number of votes until the new EM Index totals seven (7) Issuers. In the event that the 7th and 8th Issuer ordered in such manner received the same number of votes, then all Issuers receiving the same such number of votes will be submitted to each Eligible EM Member and each Eligible EM Member will indicate to the Administrator such Eligible EM Member's order of preference for the inclusion of each such Issuer in the new EM Index. The Administrator will add such entities to the new EM Index based on those preferred by the greatest number of Eligible EM Members until the new EM Index totals seven (7) Issuers. In the event that after the foregoing process, two or more Issuers are still equally preferred by Eligible EM Members and the addition of at least one such Issuer to the EM Index is necessary for it to total seven (7) Issuers but the addition of all such Issuers to the EM Index would cause it to total more than seven (7) Issuers, the Administrator will add all such Issuers to the new EM Index.

3.2 After the composition of the new EM Index for the next six-month period has been finalized, the Administrator will identify a single reference obligation of each Issuer in the EM Index senior in priority of payment based on the Reference Entity Database ("RED"). In the event that a reference obligation of such type for an Issuer in the EM Index is not listed in RED, the Administrator will solicit each Eligible EM Member to submit such a reference obligation for each such Issuer. The Administrator will select the reference obligation receiving the greatest number of votes for such Issuer. In the event that more than one reference obligation of an Issuer receives the greatest number of votes, the Administrator will re-solicit each Eligible EM Member with respect to such Issuer until a single reference obligation receives the greatest number of votes; provided that if after re-soliciting each Eligible EM Member three (3) times, more than one reference obligation continues to receive the greatest number of votes, the Administrator will select, using its reasonable judgment, a single reference obligation for such Issuer from those reference obligations that have continued to receive the greatest number of votes. Once the Administrator has identified a single reference obligation for each Issuer in the EM Index, it will publish to the Eligible EM Members a preliminary list of such identified reference obligations for each Issuer. If within one (1) Business Day of publishing such list, at least three Eligible EM Members have informed the

Administrator in writing of an objection to a particular reference obligation for an Issuer on such list, the Administrator will submit such reference obligation to the Eligible EM Members for a vote. If a Quorum Majority do not approve of such reference obligation for an Issuer, then the Administrator will identify a new reference obligation for such Issuer by following the process described above for identifying a reference obligation for an Issuer when an appropriate reference obligation is not listed in RED.

3.3 If pursuant to Section 3.1.1 a Quorum Majority has voted to change the weightings of the next EM Index even if the composition of the EM Index does not change or if Issuers have been eliminated from or added to the EM Index pursuant to Section 3.1.2, no later than five (5) Business Days prior to the Roll Date, the Administrator will solicit from each Eligible EM Member the weightings to be associated with each Issuer in the EM Index (each individual weighting not to exceed 15% and the total weighting equaling one hundred percent (100%)). The weighting for each Issuer in the EM Index will be the average of the weightings for such Issuer that have been submitted by Eligible EM Members, rounded to the nearest one percent; provided that to the extent that the sum of all such rounded weightings does not equal one hundred percent (100%), the Administrator shall, using its reasonable judgment, develop and apply an alternative methodology with respect to the rounding of the applicable average weightings so that their sum equals one hundred percent (100%).

3.4 No later than 11:00 a.m. on the date four (4) Business Days prior to the Roll Date (the “Index Publication Date”), the Administrator will publish to the public and Eligible EM Members the composition of the new EM Index for that next six-month period together with the weighting and reference obligation associated with each Issuer in the new EM Index, and will also publish to the public the current list of Eligible EM Members for the new EM Index.

3.5 At or about 1:00 p.m. on the date three (3) Business Days prior to the Roll Date (the “Fixed Rate Determination Date”), the fixed rate for the maturity of the new EM Index will be determined by the Administrator by soliciting each Eligible EM Member to submit an average spread for such maturity (in increments of five (5) basis points). The Administrator will re-solicit Eligible EM Members until at least seventy-five percent of the Eligible EM Members have submitted such spreads. The Administrator will then select the median of such submissions rounded to the nearest multiple of five (5) basis points as the fixed rate. No later than 3:00 p.m. on the Fixed Rate Determination Date, the Administrator will provide the fixed rate so determined for the new EM Index to the publication service designated by CDS; provided, however, that the Administrator will not notify any Member or otherwise publicize the fixed rate for the new EM Index until after 5:00 p.m. on the Fixed Rate Determination Date at which time the Administrator will promptly notify the Eligible EM Members and publicize such fixed rate.

3.6 Two (2) Business Days prior to the Roll Date, the Administrator will publish to the Eligible EM Members (but not the public) a draft of the annex for the EM Index. The final annex for the EM Index will be published after 5:00 p.m. on the Business Day immediately preceding the Roll Date.

3.7 Products based on the new EM Index will begin trading on the Roll Date.

4 CHANGES TO AN EM INDEX

4.1 Removal of an Issuer. In the event that three or more Eligible EM Members request that the Administrator remove an Issuer from an EM Index (specifying in writing the reason for such proposed removal), on the Business Day on which the Administrator receives the third such request, or on the following Business Day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible EM Member to indicate whether such Eligible EM Member agrees that such Issuer should be removed from such EM Index. In the event that a Quorum Majority agrees that the Issuer should be removed from such EM Index, the Administrator shall remove such Issuer from such EM Index and immediately publicize such removal and the resulting new composition of such EM Index with effect from the Business Day immediately following such publication. In addition, the Administrator will publish a new version of the annex for such EM Index in which the weightings of the remaining Issuers in such EM Index will remain constant and the removed Issuer will have a weighting of zero.

4.2 Replacement of a Reference Obligation. In the event that three or more Eligible EM Members request that the Administrator replace the reference obligation associated with an Issuer in an EM Index (specifying in writing the reason for such proposed replacement), on the Business Day on which the Administrator receives the third such request, or on the following Business Day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible EM Member to indicate whether such Eligible EM Member agrees that such reference obligation should be replaced. In the event that a Quorum Majority agrees that the reference obligation should be replaced, the Administrator will identify a replacement reference obligation, senior in priority of payment, based on the reference obligation listed in RED for such Issuer. In the event that such a reference obligation for such Issuer is not listed in RED or RED lists for that Issuer only the reference obligation to be replaced, the Administrator will solicit each Eligible EM Member to submit such a reference obligation for such Issuer. The Administrator will select the reference obligation receiving the greatest number of votes. In the event that more than one reference obligation receives the greatest number of votes, the Administrator will re-solicit each Eligible EM Member with respect to such Issuer until a single reference obligation receives the greatest number of votes; provided that if after re-soliciting each Eligible EM Member three (3) times, more than one reference obligation continues to receive the greatest number of votes, the Administrator will select, using its reasonable judgment, a single reference obligation for such Issuer from those reference obligations that have continued to receive the greatest number of votes. The Administrator will immediately publicize the replacement reference obligation and update such EM Index with effect from the Business Day immediately following such publication. In addition, the Administrator will publish a new annex for such EM Index with the replacement reference obligation.

VI. Rules for LCDX.NA Index (the “LCDX Rules”)

1 ADMINISTRATION OF THE INDEX

1.1 LCDX.NA Index (the “LCDX Index”) is composed of one hundred (100) entities. The composition of the LCDX Index shall be determined based on submissions by each Member that elects, as provided in the General Rules, to participate in the determination of the LCDX Index on a continuing basis (the “LCDX Members”). CDS and/or the Administrator shall from time to time publish an updated list of LCDX Members. Each LCDX Index will begin on October 3 (or the next

Business Day in the event that October 3 is not a Business Day) and April 3 (or the next Business Day in the event that April 3 is not a Business Day) of each calendar year (each such date a “Roll Date”); provided that if a Quorum Majority votes to change the Roll Date, the Roll Date shall be the Business Day designated by such Quorum Majority.

1.2 The removal of names from a current LCDX Index and the determination of the LCDX Index will be administered by the Administrator based upon the rules and procedures as provided herein. All information submitted by LCDX Members to the Administrator shall be received by the Administrator in confidence.

1.3 Affiliates of an entity included in the LCDX Index that are guaranteed by that entity are not eligible for inclusion in the LCDX Index. Non-guaranteed affiliates of an entity included in the LCDX Index are eligible for inclusion.

1.4 Each LCDX Index that has a Roll Date of October 3 or the next Business Day following October 3 shall have a fixed rate published for the maturity date of December 20 of the fifth new calendar year following such Roll Date.

1.5 Each LCDX Index that has a Roll Date of April 3 or the next Business Day following April 3 shall have a fixed rate published for the maturity date of June 20 of the fifth new calendar year following such Roll Date.

1.6 Each LCDX Index shall be composed of one hundred (100) entities, with equal weighting of 1%.

1.7 The initial LCDX Index shall be determined by application of the procedures specified in Section 5 rather than the procedures specified in Section 3. Products based on the initial LCDX Index will begin trading on May 22, 2007, or such other Business Day designated by a Quorum Majority (the “Initial Roll Date”).

2 ELIGIBILITY RULES

2.1 At any time, an LCDX Member shall be deemed not “Eligible” if any of the following criteria apply: (i) with respect to any vote under these LCDX Rules, if at such time the LCDX Member has been deemed to be Suspended with respect to the LCDX Index for certain failures to provide daily pricing, as provided in the Eligibility Rules; or (ii) with respect to any vote to eliminate a particular entity from the LCDX Index conducted pursuant to Section 3.3 and Section 3.4, where the LCDX Member has failed to respond to the polling for a list of entities to be eliminated from the LCDX Index conducted pursuant to Section 3.1; or (iii) with respect to any vote to express an order of preference as to which particular entity to add to the LCDX Index conducted pursuant to Section 3.7, where the LCDX Member has failed to submit a list of additional entities pursuant to Section 3.5 or Section 3.7. In the event that an LCDX Member becomes not Eligible for any of the foregoing reasons, the Administrator will provide the LCDX Member that has become not Eligible a written notice informing it of the reason(s) it is not Eligible. Notwithstanding the foregoing, CDS shall at all times have the right to waive any or all of the foregoing criteria and to deem an LCDX Member to be Eligible.

3 POLLING PROCESS IN CONNECTION WITH A ROLL

3.1 Twelve (12) Business Days prior to the Roll Date of a new LCDX Index, the Administrator will solicit each Eligible LCDX Member to submit a list of entities in the then current LCDX Index that in such Eligible LCDX Member’s judgment should not be included in the LCDX Index for the next six-month period based on the following criteria (specifying in writing which of the following criteria apply):

(a) entities for which the list of loans and loan commitments satisfying the Syndicated Secured characteristic (as such characteristic is defined in the documentation governing untranchéd credit default swap transactions referencing the LCDX Index and published by CDS and the International Swaps and Derivatives Association, Inc. (“ISDA”) from time to time (the “Index Documentation”)) as “First Lien Loans” on the website of the Markit Group Limited (or any successor publisher of such lists) (such list, the “SSL” and such publisher, the “List Publisher”) has been withdrawn and has not been replaced;

(b) entities for which a merger or other corporate action has occurred or been announced that renders such entity no longer suitable for inclusion; and

(c) entities whose outstanding loans and loan commitments or for which loan credit default swap contracts have become materially less liquid.

3.2 The Administrator will eliminate all entities from the new LCDX Index listed in connection with Section 3.1(a) for which the Administrator has confirmed such status.

3.3 The Administrator will solicit from each Eligible LCDX Member a vote as to which entities listed in connection with Section 3.1(b) should be eliminated from the new LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

3.4 The Administrator will solicit from each Eligible LCDX Member a vote as to which entities

listed by three or more Eligible LCDX Members in connection with Section 3.1(c) should be eliminated from the new LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

3.5 After such entities have been eliminated from the new LCDX Index pursuant to the above and no later than ten (10) Business Days prior to the Roll Date, the Administrator will determine the number of additional entities required to add to those entities remaining in the new LCDX Index to total one hundred (100) and will solicit each Eligible LCDX Member to submit an initial list of entities, together with sector designations, that includes two-times the number of entities so required, each of which has an SSL including at least one loan or loan commitment (such entities, “Qualified Entities”).

3.6 The Administrator will inform Eligible LCDX Members of the list of entities and their respective sector designation submitted to the Administrator for Eligible LCDX Members’ consideration.

3.7 No later than nine (9) Business Days prior to the Roll Date, the Administrator will solicit each Eligible LCDX Member to submit a final list of Qualified Entities for inclusion in the new LCDX Index. The Administrator will add to the new LCDX Index those entities receiving the greatest number of votes until the new LCDX Index totals one hundred (100) entities. In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the new LCDX Index. The Administrator will add such entities to the new LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the new LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will submit such entities to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the new LCDX Index. The Administrator will add such entities to the new LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the new LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the LCDX Index until it totals one hundred (100) entities.

3.8 No later than four (4) Business Days prior to the Roll Date (the “Index Publication Date”), the Administrator will publish to the public and Eligible LCDX Members the composition of the new LCDX Index for that next six-month period. At such time, the Administrator will also publish to the public the current list of Eligible LCDX Members for the new LCDX Index.

3.9 At or about 1:00 p.m. on the date three (3) Business Days prior to the Roll Date (the “Fixed

Rate Determination Date”), the fixed rate for the maturity of the new LCDX Index will be determined by the Administrator by soliciting each Eligible LCDX Member to submit an average spread for such maturity (in increments of five (5) basis points). The Administrator will re-solicit Eligible LCDX Members until at least seventy-five percent of the Eligible LCDX Members have submitted such spreads. The Administrator will then select the median of such submissions rounded to the nearest multiple of five (5) basis points as the fixed rate. No later than 3:00 p.m. on the Fixed Rate Determination Date, the Administrator will provide the fixed rate so determined for the maturity of the new LCDX Index to the publication service designated by CDS; provided, however, that the Administrator will not notify any Member or otherwise publicize the fixed rate for the new LCDX Index until after 5:00 p.m. on the Fixed Rate Determination Date at which time the Administrator will promptly notify the Eligible LCDX Members and publicize such fixed rate.

3.10 Two (2) Business Days prior to the Roll Date, the Administrator will publish to the Eligible LCDX Members (but not the public) a draft of the annex for the LCDX Index along with the weighting for each entity within the new LCDX Index. The final annex for the LCDX Index will be published after 5:00 p.m. on the Business Day immediately preceding the Roll Date.

3.11 Products based on the new LCDX Index will begin trading on the Roll Date.

4 CHANGES TO AN LCDX INDEX

4.1 Removal of a Reference Entity with no Syndicated Secured List. In the event that the SSL for an entity in an LCDX Index is withdrawn by the List Publisher and such SSL is not replaced on or before the thirtieth New York and London Business Day (as defined in the Index Documentation) after such withdrawal, the Administrator shall remove such entity from such LCDX Index and immediately publicize such removal and the resulting new composition of such LCDX Index with effect from such thirtieth Business Day if a Quorum Majority agrees that such entity should be removed from such LCDX Index. In addition, the Administrator will publish a new version of the annex for such LCDX Index in which the weightings of the remaining entities in such LCDX Index will remain constant and the removed entity will have a weighting of zero. The Administrator will solicit votes from each Eligible LCDX Member to indicate whether such Eligible LCDX Member agrees that such entity should be removed from such LCDX Index prior to the thirtieth New York and London Business Day after such SSL has been withdrawn.

4.2 Other Removal of Reference Entities. In the event that three or more Eligible LCDX Members request that the Administrator remove an entity from an LCDX Index (specifying in writing the reason for such proposed removal), on the day on which the Administrator receives the third such request, or on the following day if such request is received after 11:00 a.m., the Administrator will solicit votes from each Eligible LCDX Member to indicate whether such Eligible LCDX Member agrees that such entity should be removed from such LCDX Index. In the event that a Quorum Majority agrees that the entity should be removed from such LCDX Index, the Administrator shall remove such entity from such LCDX Index and immediately publicize such removal and the resulting new composition of such LCDX Index with effect from the day immediately following such publication. In addition, the Administrator will publish a new version of the annex for such LCDX Index in which the weightings of the remaining entities in such LCDX Index will remain constant and the removed entity will have a weighting of zero.

5 INITIAL COMPOSITION

The initial LCDX Index shall be determined in accordance with the following procedures.

5.1 Prior to the Initial Roll Date, the Administrator will solicit from each Eligible LCDX Member a list of one hundred (100) Qualified Entities for inclusion in the initial LCDX Index, together with sector designations.

5.2 The Administrator will publish to the Eligible LCDX Members (but not the public) a list of the one hundred (100) entities receiving the greatest number of votes (such list, the “Proposed LCDX Index”), together with sector designations, as well as a list of all other entities submitted by Eligible LCDX Members for consideration for the initial LCDX Index, together with sector designations. In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member’s order of preference for the inclusion of each such entity in the Proposed LCDX Index. The Administrator will add such entities to the Proposed LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the Proposed LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the Proposed LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the Proposed LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the Proposed LCDX Index until it totals one hundred (100) entities.

5.3 After the publication to the Eligible LCDX Members of the Proposed LCDX Index, the Administrator will solicit each Eligible LCDX Member to vote whether it accepts the Proposed LCDX Index. If a Quorum Majority accepts the Proposed LCDX Index, then such index will be the initial LCDX Index.

5.4 In the event that a Quorum Majority does not accept the Proposed LCDX Index, the Administrator will solicit each Eligible LCDX Member to submit a list of entities in the Proposed LCDX Index that in such Eligible LCDX Member’s judgment should not be included in the initial LCDX Index. The Administrator will solicit from each Eligible LCDX Member a vote as to which entities listed by two or more Eligible LCDX Members should be eliminated from the Proposed LCDX Index and the Administrator will eliminate those entities receiving votes in each case from a Quorum Majority.

5.5 The Administrator will determine the number of additional entities required to add to those entities remaining in the initial LCDX Index to total one hundred (100) and will solicit each Eligible LCDX Member to submit a list of Qualified Entities, together with sector designations, that includes two-times the number of entities so required. The Administrator will add to the initial LCDX Index those entities receiving the greatest number of votes until the initial LCDX Index totals one hundred (100) entities (such list, the “Modified Proposed LCDX Index”). In the event that the 100th and 101st entity ordered in such manner received the same number of votes, then all entities receiving the same such number of votes will be submitted to each Eligible LCDX Member

and each Eligible LCDX Member will indicate to the Administrator such Eligible LCDX Member's order of preference for the inclusion of each such entity in the Modified Proposed LCDX Index. The Administrator will add such entities to the Modified Proposed LCDX Index based on those preferred by the greatest number of Eligible LCDX Members until the Modified Proposed LCDX Index totals one hundred (100) entities. In the event that after the foregoing process, two or more entities are still equally preferred by Eligible LCDX Members and the addition of at least one such entity to the Modified Proposed LCDX Index is necessary for it to total one hundred (100) entities but the addition of all such entities to the Modified Proposed LCDX Index would cause it to total more than one hundred (100) entities, the Administrator will select, using its reasonable judgment, from those entities that are equally preferred, entities to be added to the Modified Proposed LCDX Index until it totals one hundred (100) entities. The Administrator will promptly publish to each Eligible LCDX Member (but not the public) the Modified Proposed LCDX Index.

5.6 After the publication to the Eligible LCDX Members of the Modified Proposed LCDX Index, the Administrator will solicit from each Eligible LCDX Member a vote as to whether the Proposed LCDX Index or the Modified Proposed LCDX Index should be accepted as the initial LCDX Index. The list of entities receiving the greatest number of votes will be the initial LCDX Index; provided that if the Proposed LCDX Index and the Modified Proposed LCDX Index receive the same number of votes, the Modified Proposed LCDX Index will be the initial LCDX Index.

5.7 Prior to the Initial Roll Date, the Administrator will publish to the public (i) the composition of the initial LCDX Index and (ii) the current list of Eligible LCDX Members for the initial LCDX Index.

5.8 Prior to the Initial Roll Date, the Administrator will publish to the Eligible LCDX Members (but not the public) a draft of the annex for the initial LCDX Index along with the weighting associated with each entity within the initial LCDX Index.

5.9 At or about 1:00 p.m. on the Business Day immediately prior to the Initial Roll Date or on an earlier Business Day (not prior to the third Business Day preceding the Initial Roll Date) selected by the Administrator and notified to the Eligible LCDX Members, the Administrator will determine the fixed rate for the maturity of the initial LCDX Index as provided in Section 3.9. The final annex for the initial LCDX Index will be published after 5:00 p.m. on the Business Day immediately preceding the Initial Roll Date.

6 LCDX AUCTION SETTLEMENT TERMS

6.1 The terms of the LCDS Auction Rules published by CDS and ISDA from time to time are incorporated by reference herein.

VII. CDX Index Daily Fixing Process and Calculation Rules (the "Pricing Rules")

For each Covered Index set forth below, the Administrator will solicit closing mid prices from all Members that elect, as provided in the General Rules, to participate with respect to such Covered Index (a "Participating Member"). These prices will be submitted either by spreadsheet (or any other electronic delivery format designated as acceptable by the Administrator) or, later, via the Administrator's automated mechanism between 5:00 p.m. and 6:30 p.m. each day other than

Saturday, Sunday, and United States Federal Holidays; provided that on any day that the Securities Industry and Financial Markets Association recommends closing the fixed income markets early, prices will be submitted within thirty (30) minutes after the time set by the Securities Industry and Financial Markets Association for the closing of the fixed income markets. The Administrator will publish a list of Participating Members with respect to each Covered Index set forth below. A Member will be removed from such published list for a Covered Index during any period for which it has been Suspended with respect to such Covered Index in accordance with the Eligibility Rules.

The Administrator will employ a filtering process which mirrors that used by the British Banker's Association to calculate LIBORs. This entails taking the received quotes, discarding the top and bottom quartiles and taking the mean of what remains. The number of points q in each discarded quartile will be given by $q = \text{int}(N_c/4)$ where N_c is the total number of contributors. Examples are shown in the table below:

Table of Discarded Quartile Examples

Number of Contributors	Upper Quartile Discards	Lower Quartile Discards	Number of Quotes Used in Fixing
1	0	0	No fixing calculated
3	0	0	No fixing calculated
4	1	1	2 but fixing only calculated where minimum acceptable no = 4
5	1	1	3 but fixing only calculated where minimum acceptable no ≤ 5
7	1	1	5 but fixing only calculated where minimum acceptable no ≤ 7
8	2	2	4
11	2	2	7
12	3	3	6
15	3	3	9
16	4	4	8
19	4	4	11
20	5	5	10

In order to calculate the official fixing value for a particular Covered Index, the Administrator must receive closing mid prices from at least the number of Participating Members listed in the table set forth below for the applicable Covered Index under the column entitled Minimum Number of Contributors. If the Administrator receives fewer closing mid prices for a Covered Index than the number listed in such column but at least the number of closing mid prices listed in the corresponding column entitled Publication Threshold, the Administrator will calculate and publish

a fixing value for such Covered Index, but such value will not be an official value, and will be published together with an appropriate notice indicating that such value is only indicative and not official. If the Administrator receives fewer mid prices for a Covered Index than the number listed in the column entitled Publication Threshold, the Administrator will not publish a fixing value for such Covered Index. The numbers in the table below, and the list of Members that contribute closing mid prices for each Covered Index will be subject to periodic review by the Administrator and CDS. If a majority of Members vote to (i) collect closing mid prices for a Covered Index not listed in the table below, (ii) no longer collect closing mid prices for a Covered Index then listed in the table below, (iii) modify any of the numbers then listed in the table below, and/or (iv) otherwise modify the table below, the table below shall be amended to reflect the results of such vote and the Administrator shall follow such amended Pricing Rules.

Table of Minimum Contributor Numbers

Index	Minimum Number of Contributors	Publication Threshold
CDX.NA.HY Index	6	4
CDX.NA.HY.BB Index	6	4
CDX.NA.HY.B Index	6	4
CDX.NA.IG Index	8	4
CDX.NA.IG.HVOL Index	8	4
CDX.EM Index	6	4
LCDX.NA Index	6	4