

CODE OF CONDUCT

Loan Syndications and Trading Association, Inc.

As of October 20, 2008



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CODE OF CONDUCT¹

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I. Purpose and Scope

- A. Purpose. The purpose of the Code of Conduct (the "Code") is to promote integrity, fairness, efficiency and liquidity in the syndicated loan market.
- B. Applicability. The Code is intended to provide guidance to banks, broker dealers, and institutional investors that regularly purchase, sell, deal in, broker, or trade debt and the proceeds thereof in the loan market. All such individuals and entities are referred to herein as "loan market participants," and, as applicable, as "dealers," "brokers" or "buyers" or "sellers." Although compliance with the Code is voluntary, all loan market participants are encouraged to understand and to comply with, and to ensure that their employees and agents understand and comply with, the principles of the Code.
- C. Scope. The Code establishes general standards of trading conduct that are applicable to all loan market participants in connection with all loan market activities. Loan market participants are encouraged to abide by and follow such standards and procedures when engaging in applicable loan market activity.
- D. Supplements and Guidelines. From time to time The Loan Syndications and Trading Association, Inc. (the "LSTA") may promulgate additional guidance relating to various topics and issues pertinent to the loan market. To date the LSTA has published the following additional guidance:
1. In 2006, the LSTA published the Statement of Principles for the Communication and Use of Confidential Information by Loan Market Participants (the "MNPI Principles"). The MNPI Principles outline broad guidelines for the receipt, use and distribution by and to loan market participants of confidential information that is generally available in the loan market and that may at times include material non-public information.
 2. In 2008, the LSTA revised the "Confidential Information Supplement" to reflect existing market practices and policies and procedures outlined in the MNPI Principles. The Confidential Information Supplement addresses policies and procedures relating to the use and disclosure of material confidential information in connection with transactions in the loan market.

The LSTA may publish further guidance, from time to time, on these and other topics. Such guidance may (i) expand or clarify certain of the policies or procedures set out in this Code or (ii) set out other policies or procedures that, while relating to the loan market, are not addressed in this Code.

¹ The Code of Conduct was first published in 1998. It was revised and republished in 2008.

- E. Relationship between the Code and Current Market Practices. In certain cases, the Code confirms and reinforces existing loan market practices and assumptions. In other cases, the Code encourages the implementation of certain market practices where no consensus has existed. It is expected that the Code will continue to evolve over time, along with the loan market, and, accordingly, the Code may be supplemented or modified from time to time.
- F. Relationship between the Code and Existing Laws, Regulations and Rules. The Code is a set of standards and procedures, compliance with which is completely voluntary. The Code does not have the force of law, and the Code is not intended to and does not supersede any applicable laws, regulations or rules. The Code is intended to promote compliance and work in tandem with applicable legal requirements, and to provide guidance where such requirements do not exist. The LSTA is a voluntary membership organization and does not have rule-making or enforcement power. In the event of any conflict between the Code and an applicable law, regulation or rule, the law, regulation or rule will prevail.
- G. Implementation. Each loan market participant should implement the Code in a manner appropriate to its size, nature and complexity and its participation in the loan market, as well as its business activities generally. This will generally include the adoption of internal policies approved at an appropriate level of management and implementation of internal procedures and controls to assure appropriate compliance.

II. General Principles

- A. Goals. The purpose of this Section II is to outline certain standards of conduct that apply to all loan market participants in connection with all activities in the loan market. Such standards are designed to promote integrity, fairness, efficiency and liquidity in the loan market. Certain topics addressed below are dealt with in more detail in the MNPI Principles and the Confidential Information Supplement.
- B. General Principles.
 - 1. Professional Integrity and Fair Dealing. Loan market participants should conduct their loan market activities and relationships in accordance with high standards of fair dealing and with integrity, honesty and good faith, including by behaving in a manner that will promote confidence in the loan market.
 - 2. Applicable Laws, Regulations and Rules. Loan market participants should be knowledgeable about, and behave in accordance with, all applicable laws, regulations and rules.
 - 3. Control and Compliance. Each loan market participant should establish, maintain and enforce internal controls and compliance procedures reasonably designed under the circumstances to help ensure that its loan market activities are conducted in accordance with applicable laws, regulations and rules as well as internal policies.
 - 4. Financial Stability. Each loan market participant is responsible for maintaining adequate financial resources and financial stability, including capital and liquidity, in light of the risks and obligations undertaken and taking into consideration the nature of its business.
 - 5. Risk Management. Each loan market participant should maintain risk management policies, procedures and controls with respect to its activities in the loan market, as may be appropriate and necessary after taking into consideration the nature of its business.
 - 6. _____

7. Training and Supervision of Employees and Agents. A loan market participant is responsible for loan market activities engaged in by its employees and agents within the scope of their employment or agency relationships. Accordingly, a loan market participant should ensure that all of its employees and agents engaged in loan market activities are adequately supervised at appropriate levels and adequately trained, and have the authority and capacity to perform their trading activities, taking into consideration the nature of such loan market participant's business.
8. Clarity of Role/Clarity of Language. In every transaction, a loan market participant should make clear to its customer or counterparty its identity and the capacity in which it is acting (i.e., agent or principal). Loan market participants should use clear and unambiguous language in all of their loan market activities. Whenever a loan market participant is in doubt as to the meaning of something being communicated, it should ask for clarification, and such clarification should be forthcoming.
9. Disclosure of Information; Confidentiality. Loan market participants should adopt policies regarding disclosure of material information about borrowers that may not be available to counterparties, including information available only to particular lending syndicates. In no event should a loan market participant make intentional misstatements with respect to information in connection with any of its transactions in the loan market, or intentionally make only partial disclosures with respect to such information in such connection without disclosing in writing to its counterparty the scope of such disclosure and the fact that it is not or may not be complete.² Loan market participants should maintain customer, counterparty and transaction confidentiality, absent express agreement to the contrary. Absent such an agreement or a legal or regulatory requirement, a loan market participant should not (except with immediately involved parties on a need to know basis) discuss or reveal, or pressure others to discuss or reveal, aspects of transactions, or the identities of counterparties or customers, when such loan market participant in the exercise of good judgment reasonably believes such information should be kept confidential. (This topic is addressed in more detail in the MNPI Principles.)
10. Counterparty Creditworthiness; Assessment of Sophistication; Market Participant Due Diligence. When entering into loan market transactions that involve credit exposure to obligors and counterparties, a loan market participant should take reasonable steps under the circumstances to assess such party's capacity to meet its obligations when due. Loan market participants are expected to have the capacity to independently evaluate their transactions in the loan market. They should make informed decisions regarding the amount of due diligence that is appropriate under the circumstances with respect to such transactions and undertake any due diligence deemed appropriate by them. In the absence of an express agreement to the contrary, a loan market participant (including a dealer) does not have a fiduciary or other duty to render advice or recommendations to a counterparty.
11. Administration. Loan market participants should maintain accurate, accessible and up to date books and records regarding their loan market activities.

² The language set forth in Section 15 "Nonreliance" of the LSTA's Par/Near Par Trade Confirmation and Section 20 "Nonreliance" of the LSTA's Distressed Trade Confirmation is sufficient written disclosure for these purposes.