

USD Interest Rate Swap with Knock Out

Risk Disclosure Statement

The following term sheet is subject to the terms of the final Confirmation and the ISDA Master Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the 2006 ISDA Definitions, as published by the International Swap and Derivatives Association, Inc. (the "ISDA Definitions") or as defined in the Confirmation. In the event of any inconsistency between the ISDA Definitions and this term sheet or the Confirmation, the terms as defined in the Confirmation shall govern.

General Terms

Party A:	JPMorgan Chase Bank, N.A., Mumbai Branch ("JPMorgan")
Party B:	[]
Trade Date:	[]
Effective Date:	03 October 2023
Termination Date:	03 January 2026
Mandatory Early Termination	Applicable
Mandatory Early Termination Date:	03 February 2024
USD Notional Amount:	USD 100,000,000
Business Day Convention:	Modified Following
Business Days:	New York
Calculation Agent:	JPMorgan (unless stated otherwise in ISDA)
Governing Law:	English
Documentation:	ISDA
Dealer Name:	[]
Client Type:	Non-Retail

Party A payments

Party A pays (in USD): Subject to **no Knock Out Event** occurring on the respective Party A Payment Dates

For the **first** Party A Calculation Period:

6.75% **p.a.** on USD Notional Amount

For subsequent Party A Calculation Periods:

4.85% **p.a.** on USD Notional Amount

Party A Calculation Period End Date: Annually on every 03th of January, commencing on 03th January 2024 subject to adjustment in accordance with the Business Day Convention.

Party A Calculation Period: Each period commencing from and including one Party A Calculation Period End Date to but excluding the next Party A Calculation Period End Date, provided that the first Party A Calculation Period shall commence on and include the Effective Date, and the last Party A Calculation Period shall end on but exclude the Termination Date.

For avoidance of doubt, the first Party A Calculation Period shall be a short period from and including Effective Date to but excluding 03th January 2024.

Party A Payment Dates: 2 Business Days after each Party A Calculation Period End Date

Party A Day Count: A/360

Party B payments

Party B pays (in USD): Subject to **no Knock Out Event** occurring on respective Party B Payment Dates:

USD-SOFR-COMPOUND p.a. on the USD Notional Amount

Party B Calculation Period End Date: Annually on every 03th of January, commencing on 03th January 2024 subject to adjustment in accordance with the Business Day Convention.

Party B Calculation Period: Each period commencing from and including one Party B Calculation Period End Date to but excluding the next Party B Calculation Period End Date, provided that the first Party B Calculation Period shall commence on and include the Effective Date, and the last Party B Calculation Period shall end on but exclude the Termination Date.

For avoidance of doubt, the first Party B Calculation Period shall be short period from and including Effective Date to but excluding 03th January 2024.

Party B Payment Dates: 2 Business Days after each Party B Calculation Period End Date

Reset Dates: The last day of each Party B Calculation Period

Party B Day Count: A/360

Knock Out Event: A Knock Out Event is deemed to have occurred if **USD 2Y SOFR Swap Rate** is less than or equal to the Knock Out Barrier on the Observation Date.

Upon the occurrence of a Knock Out Event, this Transaction shall early terminate and no further payments will be due after the Party A Payment Date and Party B Payment Date immediately following the Observation Date.

For the avoidance of doubt, a Knock Out Event shall be deemed to have occurred even if Party A does not provide notice thereof to Party B.

“USD 2Y SOFR Swap Rate” means the USD SOFR ICE Swap Rate with a Designated Maturity of 2 years, expressed as a percentage, provided by the administrator of the USD SOFR ICE Swap Rate as of 11:00 a.m., New York City time (or any amended publication time specified by the administrator of the USD SOFR ICE Swap Rate in the benchmark methodology) on such day. If such rate

is not available as of the Observation Date, the rate shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

“**USD SOFR ICE Swap Rate**” means the swap rate for a fixed-for-floating U.S. Dollar swap transaction where the floating leg references the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor administrator) (SOFR), as provided by ICE Benchmark Administration Limited as the administrator of the benchmark (or a successor administrator).

Observation Date: 2 U.S. Government Securities Business Days before Knock Out Date

Knock Out Date: 03th January 2024, subject to adjustment in accordance with the Business Day Convention

Knock Out Barrier: 4.85%

Mandatory Early Termination Clause

This swap shall be terminated on the Mandatory Early Termination Date at the market value of the swap, as on the Mandatory Early Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention. On 2 Business days after the Mandatory Early Termination Date, the party which is out-of-the-money shall pay to the party which is in-the-money, the Cash Settlement Amount, which shall be an amount in USD equal to the absolute value of the market value of the swap, as determined on the Mandatory Early Termination Date.

Following such 2 Business Day delay after the Mandatory Early Termination Date, the swap shall terminate and the parties shall have no further obligation to the other, save for any obligations which existed before that date.

Risk Disclosure:

There are significant risks associated with this Transaction including, but not limited to, foreign exchange risk, price risk, liquidity risk and credit risk. Counterparties should consult their own financial, legal, accounting, and tax advisors about the risk associated with this Transaction, the appropriate tools to analyze the Transaction, and the suitability of the Transaction in each counterparty's particular circumstances. No counterparty should enter into the Transaction described above unless that counterparty understands and has sufficient financial resources to bear the price, foreign exchange, market, liquidity, structure, and other risks associated with the entering into the swap.

Interest Rate Risk:

If USD interest rates move from their current positions, the market value of the transaction may be adversely affected from Party B's perspective.

Fixing Risk:

If USD-SOFR-COMPOUND fixings decrease, the NET payments received by Party B will increase.

Early Termination Risk:

If USD 2y SOFR Swap Rate fixes at or below the Knock Out Barrier on the Observation Date, the transaction shall be early terminated and Party B may incur higher hedge cost to replace the transaction at the prevailing market rates

Liquidity Risk:

This Transaction is not a readily liquid instrument. There may exist a time when there is a lack of liquidity or low trading volume in the market for the Transaction, and this potential illiquidity could significantly decrease the market value of the Transaction for Party B.

Asymmetric Payoff Risk:

This Transaction is constructed by means of a combination of interest rate options (both vanilla and exotic). The potential downside resulting from the Transaction could be significantly higher than the potential upside, as is

illustrated in the Scenario Analysis herein. Party B should be aware of and recognize the asymmetric nature of what it may receive and/or what it may pay before entering into this Transaction.

Credit Risk:

The swap carries the credit risk of Party A.

Ordinary Course of Business:

In the ordinary course of their business, JPMorgan or any of its affiliates or subsidiaries may affect transactions for their own account or for the account of their customers. In conducting such business neither JPMorgan nor any of its affiliates or subsidiaries is obliged to take into account the circumstances of the parties to the Transaction or act in a manner which is favorable to them. Such activity may, or may not affect the value of the Transaction, but potential investors should be aware that a conflict may arise.

Potential Conflicts of Interest:

Potential conflicts of interest may exist in the structure and operation of the strategy and the course of the normal business activities of JPMorgan or any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents of their normal business activities.

Underlying Exposure:

This Transaction has been entered to hedge the risk arising out of the underlying exposure (“Underlying Exposure”) details of which are as follows

USD 100,000,000 fixed rate loan, maturing on or after 03 January 2026

Purpose of the transaction:

The purpose of the interest rate swap transaction is to hedge the fixed rate USD liability of Party B. The swap hedges the variability of cash flows of the underlying USD liability and transforms it into a fixed rate liability till the tenor of the swap.

Scenario Analysis:

The following Scenario Analysis is provided for illustrative and convenience purposes only. It should not be relied on by Party B, and JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B should consult with their own professional advisers

The following Scenario Analysis assumes various levels of USD-SOFR-COMPOUND which, in JPMorgan’s view, represents low, medium and high risk scenarios and shows the resultant cash flow gain/loss to Party B.

Scenario 1: USD-SOFR-COMPOUND remains unchanged over the tenor of the trade; USD SOFR Swap curve remains unchanged till the Mandatory Termination Date

Payment Date*	USD-SOFR-COMPOUND fixing	Party B to receive in USD	Party B to pay in USD	Profit / (Loss) to Party B in USD
[03 Jan 2024]	[5.40%]	[1,725,000]	[1,380,000]	[345,000]
[03 Feb 2024]	[5.45%]	Swap is Terminated and Party B pays Party A USD 392,583 on Mandatory Termination Date. No future settlements are made.		

*Subject to adjustment according to Business Day Convention

Scenario 2: USD-SOFR-COMPOUND increases over the tenor of the trade; USD SOFR Swap curve is 10bps higher on the Mandatory Termination Date as compared to that on Trade Date and no Knock Out Event occurs

Payment Date*	USD-SOFR-COMPOUND fixing	Party B to receive in USD	Party B to pay in USD	Profit / (Loss) to Party B in USD
[03 Jan 2024]	[5.50%]	[1,725,000]	[1,405,556]	[319,444]
[03 Feb 2024]	[5.55%]	<i>Swap is Terminated and Party B pays Party A USD 581,634 on Mandatory Termination Date. No future settlements are made.</i>		

*Subject to adjustment according to Business Day Convention

Scenario 3: USD-SOFR-COMPOUND decreases over the tenor of the trade; USD SOFR Swap curve is 10bps lower on the Mandatory Termination Date as compared to that on Trade Date and no Knock Out Event occurs

Payment Date*	USD-SOFR-COMPOUND fixing	Party B to receive in USD	Party B to pay in USD	Profit / (Loss) to Party B in USD
[03 Jan 2024]	[5.30%]	[1,725,000]	[1,354,444]	[370,556]
[03 Feb 2024]	[5.35%]	<i>Swap is Terminated and Party B pays Party A USD 203,532 on Mandatory Termination Date. No future settlements are made.</i>		

*Subject to adjustment according to Business Day Convention

Scenario 4: USD-SOFR-COMPOUND decreases over the tenor of the trade; USD SOFR Swap curve decreases such that Knock Out Event occurs

Payment Date*	USD-SOFR-COMPOUND fixing	Party B to receive in USD	Party B to pay in USD	Profit / (Loss) to Party B in USD
[03 Jan 2024]	[4.90%]	Knock Out Event occurs. Swap is early terminated and Party B receives USD 472,778 from Party A No future settlements are made.		

*Subject to adjustment according to Business Day Convention

Mark to Market (MTM) Sensitivity Analysis:

The following MTM Analysis is provided for illustrative and convenience purposes only. It should not be relied on by Party B, and JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B should consult with their own professional advisers.

Please note that the below MTM Analysis is only accurate as of Trade Date. Changes in the MTM, due to parallel shifts in USD SOFR Swap curve are tabulated in the MTM analysis.

This MTM Analysis does not take into account other factors and parameters (market, trading, liquidity or otherwise) or model parameters-marks. If such parameters move in extreme fashions, they may cause the MTM to change significantly and may change in a way that adversely impacts Party B.

MTM Sensitivity due to parallel shift in USD SOFR Swap curve immediately after Trade Date

Parallel Shift in USD SOFR Swap curve	Changes in the MTM (in USD)
500 bps up	-9,459,568
100 bps up	-1,680,442
50 bps up	-752,507
10 bps up	-126,141
0	0
10 bps down	114,597

MTM Sensitivity due to parallel shift in USD SOFR Swap curve as on Mandatory Termination Date compared to Trade Date subject to no Knock Out Event

Parallel Shift in USD SOFR Swap Curve	Changes in the MTM (in USD)
500 bps up	-9,845,133
100 bps up	-2,283,093
50 bps up	-1,337,838
10 bps up	-581,634
0	-392,583
-10 bps down	-203,532
-50 bps down	552,672

(Negative Changes in the MTM implies an adverse change in mark to market value of the swap from Party B's perspective)

MTM Sensitivity due to shift in USD SOFR Curve Volatility immediately after Trade Date

Assumptions:

- Calculation is done on a date close to the Trade Date.
- Assume same shift across USD SOFR Curve Volatility surface
- All other market factors remain constant.

Shift in USD SOFR Curve Volatility (bps)	Changes in the MTM (in USD)
300 bps up	-1,061,349
100 bps up	-353,785
50 bps up	-176,845
20 bps up	-70,717
10 bps up	-35,354
0	0
10 bps down	35,342

(Negative Changes in the MTM implies an adverse change in mark to market value of the swap from Party B's perspective)

Level of pricing variables and impact of variables on pricing

The following analysis is provided for information and illustrative purposes only. All information provided herein is indicative, non-exhaustive and is based on certain assumptions and current market conditions and is subject to change without notice.

It should not be relied on by Party B, and JPMorgan makes no representation or warranty regarding the accuracy or completeness of the information herein. JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B must make an independent assessment of the Transaction in light of its own circumstances and determine with its own professional advisers any suitability or appropriateness implications of the Transaction.

The market level of primary market variables used in determining the price of the transaction is as follows:

- 2 year 3 month USD SOFR Swap Rate: 4.92%
- 2 year USD SOFR Swap Rate: 5.03%
- 3 month forward 2 year USD SOFR Swap Rate: 4.85%

The primary market variables used for determining the mark-to-market value along with their directional impact are listed below for information purposes only and is subject to change. Each directional impact assumes that the variable under consideration moves from its current position while all other variables are kept constant. The directional impact may no longer hold if more than one variable is allowed to move from their current positions. The primary market variables used for determining the mark-to-market value of the transaction as of Trade Date are listed below along with their directional impact on the mark-to-market value. JPMorgan accepts no responsibility or liability whatsoever to any person in respect of the information herein.

Pricing Variable	Directional Impact
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<p>USD SOFR Swap curve</p>	<p>Market value of the transaction for Party B will be adversely impacted by a upward parallel shift in the USD SOFR Swap curve</p> <p>Market value of the transaction for Party B will be favorably impacted by an downward parallel shift in the USD SOFR Swap curve</p>
<p>USD SOFR Curve Volatility</p>	<p>Market value of the transaction for Party B will be adversely impacted if USD SOFR Curve Volatility goes higher</p> <p>Market value of the transaction for Party B will be favorably impacted if USD SOFR Curve Volatility goes lower</p>

Periodicity of Valuation Statement from Party A

Valuation statements in relation to all Transactions executed between the parties will be made available to the Counterparty on the “Optimize” application present on JPMorgan’s online platform, J.P.Morgan Markets (“Optimize Platform”). The Counterparty will be able to view and download such valuation statements for any period at any point of time from the Optimize Platform. To the extent the Counterparty wishes to receive valuation statements via email or any other mode of communication, it should reach out to its representative at JPMorgan and make a request in writing for such alternate process to be set-up for purposes of sharing valuation statements with the Counterparty. JPMorgan shall consider Counterparty’s request and if reasonable and operationally practicable, JPMorgan may agree to share the valuation statements, within such mutually agreed periodicity, with the Counterparty via email or any alternative mode of communication.

Representations:

Each party represents to the other party on the date on which it enters into this Transaction that (absent a written agreement between the parties in respect of this Transaction that expressly imposes affirmative obligations to the contrary):

- (i) It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such tax, accounting, regulatory, legal and financial advisers as it has deemed necessary, and not upon any view expressed by the other. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction;
- (ii) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction;
- (iii) The other party is not acting as a fiduciary for, or an adviser to it in respect of this Transaction.
- (iv) This Transaction is subject at all times, to the applicable laws, including but not limited to the Reserve Bank of India (“RBI”) and the Foreign Exchange Management Act, 1999, rules, regulations and guidelines issued thereunder, as may be amended from time to time (collectively, the “Regulations”) and does not contravene any of the said Regulations.

With respect to this Transaction, Party B represents and confirms to JPMorgan as follows:

1. It has the power to enter into this Transaction and to deliver any document relating to this Transaction and to perform its obligations under this Transaction and has taken all necessary action to authorize such execution, delivery and performance.

2. All necessary governmental and other consents that are required to have been obtained by it with respect to this Transaction (or any part thereof) have been obtained and are in full force and effect and all conditions of any such consents have been (and shall continue to be) complied with.
3. Its entry into and performance of its obligations under this Transaction does not and will not result in a breach or violation of any applicable law or regulation.
4. That it is entering into this Transaction solely for the purpose of hedging its underlying exposure ("Underlying Exposure") and not for purposes of speculation, and the size and tenure of this Transaction is not in excess of Party B's Underlying Exposure.
5. This Transaction has been booked against the said Underlying Exposure and the Underlying Documents in respect of the said Underlying Exposure have been/ will be provided to JPMorgan by Party B.
6. It has familiarized itself and fully understood the above terms and conditions and accepts the risks of entering into this Transaction.

**ACCEPTED and AGREED
For and on behalf of Party B**

Name Title
Date