

FORWARD RATE AGREEMENT

Risk Disclosure Statement

The following term sheet is subject to the terms of a 2002 Master Agreement as published by the International Swap and Derivatives Association, Inc. ("ISDA") and final Confirmation. Capitalised terms used and not otherwise defined herein shall have the meanings given to them in the 2006 ISDA Definitions (the "2006 Definitions"), as published by ISDA) or as otherwise defined in the Confirmation. In the event of any inconsistency between the 2006 Definitions and this term sheet or the Confirmation, the terms as defined in the Confirmation will govern. References in this termsheet to a "Transaction" shall be deemed to be references to a "Forward Rate Agreement".

General Terms

Product:	Forward Rate Agreement
Party A:	JPMorgan Chase Bank, N.A., Mumbai Branch ("JPMorgan" or the "Bank")
Party B:	[]
Trade Date:	[]
Effective Date:	31 January 2023
Termination Date:	25 May 2029, subject to the Business Day Convention
Business Day Convention:	Following
Business Days:	Mumbai
Calculation Agent:	JPMorgan
Governing Law and Jurisdiction:	As per ISDA
Documentation:	ISDA and two-way Credit Support Annex
Notional Amount:	"Notional Amount" means an amount in INR for each Settlement Date as per Schedule
Reference Security(ies):	Issuer: GOVERNMENT OF INDIA ISIN: IN0020220029 Coupon: 7.54%, Semi Annual, ISMA-30/360 Maturity: 23 May 2036
Index Yield:	"Index Yield" shall mean the yield of the Reference Security(ies) determined in the following manner: <ol style="list-style-type: none"> a) Index Yield shall be the sum of the FBIL Yield of the Reference Security(ies) as on the Business Day immediately preceding the Price Determination Date and Yield Variation provided that the below two conditions are satisfied: <ol style="list-style-type: none"> (i) The absolute difference between the FBIL Yield of the Reference Security(ies) as on the Business Day immediately preceding the Price Determination Date and the CRISIL Valuation of the Reference Security(ies) as on the Business Day immediately preceding the Price Determination Date is equal to or less than 5 bps; and

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- (ii) The absolute difference between (A) the sum of the FBIL Yield of the Reference Security(ies) as on the Business Day immediately preceding the Price Determination Date and Yield Variation; and (B) the NDS-OM Yield on the Price Determination Date is equal to or less than 5 bps
- b) If the conditions present in clause (a) above are not satisfied, the Index Yield shall be determined by mutual agreement between Party A and Party B. While mutually determining the Index Yield, both parties may take into account among other things, the traded yield of the Reference Security(ies) on the Price Determination Date, the sum of CRISIL Valuation of the Reference Security(ies) as on the Business Day immediately preceding the Price Determination Date and Yield Variation; or any other information that may be deemed necessary by both parties.
- c) In the event that Party A and Party B are unable to mutually agree on the Index Yield in accordance with clause (b) above by the cut-off time (12.00 PM IST) on the Price Determination Date, the Index Yield shall be determined in accordance with the INR Reference Bank Methodology as described herein below.

“INR Reference Bank Methodology”: It is the manner in which Index Yield of the Reference Security(ies) for a Price Determination Date is determined by seeking firm bid quotes from Eligible Dealers. Each party shall elect, in its sole discretion, up to two Eligible Dealers to provide a firm bid quotation for purchase of an amount of the Reference Security (ies) equal to the Notional Amount (“Full Quotation”) and such quotation will need to be provided to the Calculation Agent before 01.00 PM on the Price Determination Date. In the event that more than one(1) Full Quotation is received by the Calculation Agent, the Index Yield shall be the highest of such Full Quotation(s) obtained and received by the Calculation Agent.

- d) In the event that no Full Quotation is available through the INR Reference Bank Methodology, the Index Yield of the Reference Security(ies) for that Price Determination Date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

“Benchmark Security” means the security issued by the Government of India which is a nodal point for 10 year tenor as published by Financial Benchmark India Pvt. Ltd. (FBIL) on its official website at the end of the first Business Day prior to the Price Determination Date.

“CRISIL Valuation” means the valuation of the Reference Security (ies) as provided by CRISIL at the end of relevant day.

“Eligible Dealers” means, any financial institutions that are dealers in the type of Reference Security(ies) for which Full Quotations are required and who, amongst other things, have already fulfilled all "know your customer" related requirements towards Party A or have completed other similar procedures satisfactory to the Calculation Agent such that Party

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A is able to sell the relevant Reference Security(ies) to them and are of the creditworthiness acceptable to the party appointing them.

“**FBIL Yield**” means the yield published by Financial Benchmark India Pvt. Ltd. (FBIL) on its official website at the end of relevant day.

“**NDS-OM Yield**” means the last traded yield of the Reference Security(ies) or Benchmark Security traded on the Negotiation Dealing System-Order Matching Platform (“NDS-OM Platform”) as observed at 11:00AM IST on the relevant day.

“**Price Determination Date**” means the date that is one Business Day prior to the respective Settlement Date.

“**Reference Security(ies)**” means, each Reference Security as described above.

“**Settlement Date**” means each Settlement Date as specified in the Schedule below

“**Yield Variation**” means the difference between the NDS-OM Yield of the Benchmark Security as on the Price Determination Date and the FBIL Yield of Benchmark Security as on the Business Day immediately preceding the Price Determination Date.

Reference Yield:	7.4000% per annum
Reference Spread:	As per Schedule
Reference Currency:	INR
Settlement:	Cash
Initial Exchange:	None
Dealer:	[]

Party A Floating Payments:

Party A Pays (in INR): For each **Party A Payment Date**, an amount in INR equal to the product of:

- (a) Reference Security Price; and
- (b) the Notional Amount,

Where,

“**Reference Security Price**” means the dirty price of the Reference Security (expressed in percentage of the Notional Amount for that respective Settlement Date) as determined by Calculation Agent on **Price Determination Date** in good faith and in a commercially reasonable manner by taking a reference of Index Yield.

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Price Determination Date means, for each Settlement Date, the date that is the 1 Business Day before the respective Settlement Date

Party A Payment Date: Each Settlement Date as per Schedule, subject to adjustment in accordance with the Business Day Convention.

Party A Day Count: 1/1

Party B Fixed Payment:

Party B Pays (in INR): For each **Party B Payment Date** an amount in INR equal to the product of:

- (a) the Forward Purchase Price; and
- (b) the Notional Amount,

subject to the Tax Adjustment provisions of this termsheet. (“**Party B Fixed Amount**”)

“**Forward Purchase Price**” for each Settlement Date means the dirty price of the Reference Security for settlement on the relevant Settlement Date expressed as a percentage of the Notional Amount for that respective Settlement Date as derived from the yield of the Reference Security being equal to the Forward Yield for the respective Settlement Date and mentioned in the Schedule below.

“**Forward Yield**” on for each Settlement Date shall mean the sum of the Reference Yield and the Reference Spread, expressed as a percentage

Party B Payment Date: Each Settlement Date as per Schedule, subject to adjustment in accordance with the Business Day Convention.

Party B Day Count: 1/1

Pricing Methodology: On Trade Date, the Transaction shall be priced by the Calculation Agent, acting in good faith and in a commercially reasonable manner, by applying the following methodology, calculated at the **Pricing Discount Curve**:

- a) Product of the Dirty Price of the Reference Security and aggregate Notional Amounts for all the Settlement Dates as on the Trade Date; minus
- b) Present value of the Party B Fixed Payment that Party A would receive from Party B on each Settlement Date, discounted off the relevant discount curve; minus
- c) Present value of all the Distributions that Party A would receive including all accrued but unpaid interest if it was the holder of the Reference Security until each Settlement Date, for an amount equal to the Notional Amount with respect to each Settlement Date discounted off the relevant discount curve.

“**Pricing Discount Curve**” shall mean the offer side of the INR OIS interest rate swap curve on Trade Date adjusted upwards in parallel by Pricing Spread.

“**Pricing Spread**” shall mean 90 bps per annum.

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“**Dirty Price**” of the Reference Security(ies) shall mean 102.5599% on the Trade Date.

“**Distributions**” means each payment or any distribution of any kind (including interest, rights, and property of any type) which Party A is entitled to receive as a holder of the Reference Security.

Procedure for Unwind:

Party B may on any Business Day at or before 11 a.m. India Standard Time request (such request being the “**Unwind Request**”) Party A in writing for a firm unwind quote (such quotation being the “**Unwind Quotation**”), stating its intention to terminate this Transaction in part or in full on the Proposed Unwind Date. For each Settlement Date with respect to which Party B intends to unwind the Transaction in part or in full, the Unwind Request shall specify:

- (i) the proposed unwind date (the “**Proposed Unwind Date**”)
- (ii) specify the portion of the Notional Amount that Party B intends to unwind.

The Unwind Request shall be submitted at least one (1) Business Day prior to the Proposed Unwind Date.

On receipt of the Unwind Request, Party A shall acknowledge the receipt of the Unwind Request and shall provide the Unwind Quotation, for each Settlement Date with respect to which Party B intends to unwind the Transaction, to Party B at least one Business Day prior to the Proposed Unwind Date by quoting an amount in INR (such amount being the “**Unwind Price**”) that needs to be paid by one party to the other with respect to each Settlement Date on the Proposed Unwind Date to early terminate the Transaction in part or in full as requested by Party B. If the Unwind Price is a positive amount, the Unwind Price shall be payable by Party A to Party B and if the Unwind Price is a negative amount, the absolute value of the Unwind Price shall be payable by Party B to Party A. The Unwind Price for each Settlement Date with respect to which Party B intends to unwind the Transaction in part or in full will be calculated by the Calculation Agent in its sole discretion but in a commercially reasonable manner based on the below formula:

- a) “**INR Liquidation Value**” of the Reference Security will be determined by the Calculation Agent as the liquidation proceeds of the Reference Security for the portion of the Notional Amount, corresponding to the respective Settlement Date that is being requested to be early terminated by Party B; minus
- b) Present value of all the Distributions that would have been received by Party A including all accrued but unpaid interest if it was the holder of the Reference Security (until the respective Settlement Date) for an amount equal to the portion of the Notional Amount that is being requested to be early terminated by Party B, discounted off the Unwind Discount Curve; minus
- c) Present value of the portion of the Party B Fixed Payment that Party A would forego receiving from Party B on the respective Settlement Date if the Unwind Request were to be executed, discounted off the Unwind Discount Curve

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For the avoidance of doubt, the INR Liquidation Value shall be quoted together with the Unwind Price for each Settlement Date with respect to which Party B intends to unwind the Transaction in part or in full when the Unwind Price is communicated by Party A to Party B.

“**Unwind Discount Curve**” shall mean the bid side of the prevailing INR OIS interest rate swap curve adjusted upwards in parallel by Spread

“**Spread**” means 75 basis points per annum

“**Distributions**” means each payment or any distribution of any kind (including interest, rights, and property of any type) which Party A is entitled to receive as a holder of the Reference Security.

The Unwind Price shall only be valid for such period of time (“**Acceptance Timeframe**”) as may be indicated by Party A to Party B.

Upon receipt of the Unwind Price, Party B shall, within the Acceptance Timeframe, notify Party A in writing (which shall, for this specific purpose, include email) about the acceptance of the Unwind Price for some or all of the Settlement Dates for which such Unwind Quotation was requested by Party B.

- a) If Party B does not so notify Party A within the Acceptable Timeframe, Party A shall consider that the Unwind Price has not been accepted by Party B and there shall be no early termination.
- b) If Party B does so notify Party A within the Acceptable Timeframe, the Transaction shall be early terminated for the portion of the Notional Amount and for the Settlement Date with respect to which Party B has accepted the Unwind Price by payment of the Unwind Price by one party to the other on the Proposed Unwind Date.

Tax Adjustment provision:

Change in Law

“**Change in Law**” is deemed to occur if after the Trade Date (a) due to the enactment, promulgation, enforcement, effectiveness, ratification or adoption or announcement of or any change in any applicable law, rule, regulation, statute, order or decree (including, without limitation, any relevant tax law), or (b) due to the promulgation of or any change in the applicability or the interpretation by any Governmental Authority of any applicable law, rule, regulation, statute, order or decree (including any action taken by a taxing authority) or (c) any action being taken by a taxing authority of any relevant jurisdiction or (d) the occurrence of any other act or event at any time relating to withholding or deduction for any or on account of tax in relation to the Transaction, the Calculation Agent determines acting in good faith and commercially reasonable manner that (i) Party A or any of its Affiliates will incur an increased cost in maintaining the Transaction or performing their obligations under the Transaction (including, without limitation, due to any increase in fees imposed by the Reserve Bank of India, tax liability, decrease in tax benefit or other adverse effect on their tax position), (ii) Party A will receive less payment under the Transaction for or on account of tax, as compared with the regulatory treatment applicable to the Transaction as at the Trade Date, or (iii) Party A or any of its Affiliates will be subject to less favorable regulatory treatment with respect to the Transaction, as compared with the regulatory treatment applicable to the Transaction as at the Trade Date.

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“**Governmental Authority**” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank or deposit protection agency or treasury or ministry of finance or taxing authority or equivalent of any relevant jurisdiction including India and United States) of any relevant jurisdiction including India and United States.

Tax Adjustment:

If a Change in Law occurs on or after the Trade Date, Calculation Agent may determine acting in good faith and commercially reasonable manner, whether an appropriate adjustment (including but not limited to the adjustment to the amount payable under the Transaction) can be made to account for the economic effect of such event on the Transaction. If the Calculation Agent determines that such adjustment(s) can be made, the Calculation Agent shall determine the effective date of such adjustment(s) and take the necessary steps to effect such adjustment(s).

Schedule:

Strip No	Settlement Date	Reference Spread (p.a.)	Forward Purchase Price	Notional Amount	Party B Fixed Payment
				(INR)	
1	25-May-28	0.0880%	100.3497	500,000,000.00	501,748,500.00
2	25-May-29	0.0800%	100.3633	500,000,000.00	501,816,500.00

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Risk Disclosure:

There are significant risks associated with the Transaction above including, but not limited to, interest rate 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 investor's particular circumstances. No counterparty should enter into the Transaction unless that counterparty understands and has sufficient financial resources to bear the price, market, liquidity, structure, and other usual risks associated with the entering into of the Transaction.

Interest Rate Risk: If INR interest rates move from their current positions, the mark-to-market value of the transaction may be adversely affected from Party B's perspective.

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.

Fixing Risk: If the Reference Security Price for the relevant Settlement Date is lower than the Forward Purchase Price, the payments to be received by Party B will be lower than the payments to be made by Party B

Credit Risk: This Transaction carries the counterparty 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 effect 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

Should be one of the following:

- a. *Reinvestment of maturity proceeds of existing fixed income investments;*
- b. *Investment of interest income receivable;*
- c. *Expected policy premium income receivable on the insurance contracts which are already underwritten in life and pension and annuity business*

Party B hereby confirms that the particulars of the Underlying Exposure provided by it as above are true, accurate and complete in all respects and for all purposes

Purpose of the transaction:

The purpose of the Forward Rate Agreement is to hedge risk of lower yields of the Reference Security in future. The Forward Rate Agreement locks-in the yield of the Reference Security and thereby hedges the risk of lower yield in the future.

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Cash Flow Scenario Analysis:

The following scenario analysis is not comprehensive and 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 Index Yield which, in JPMorgan's view, represents high, medium and low risk scenarios and shows the resultant cash flow gain/loss to Party B. The scenario analysis represented here are not comprehensive.

Scenario 1: Reference Security Price increases throughout the tenor

Settlement Date	Reference Security Price	Forward Purchase Price	Party B to Receive [in INR]	Party B to Pay [in INR]	Net Profit / (Loss) to Party B [in INR]
25-May-28	112.5599%	100.3497%	562,799,634	501,748,500	61,051,134
25-May-29	122.5599%	100.3633%	612,799,634	501,816,500	110,983,134
Total Gain/Loss to Party B [in INR]					172,034,269

Scenario 2: Reference Security Price decreases throughout the tenor

Settlement Date	Reference Security Price	Forward Purchase Price	Party B to Receive [in INR]	Party B to Pay [in INR]	Net Profit / (Loss) to Party B [in INR]
25-May-28	92.5599%	100.3497%	462,799,634	501,748,500	-38,948,866
25-May-29	82.5599%	100.3633%	412,799,634	501,816,500	-89,016,866
Total Gain/Loss to Party B [in INR]					-127,965,731

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Mark to Market (MTM) Sensitivity Analysis:

The following analysis which represents the change in market value of the transaction 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 analysis which represents the change in market value of the Transaction from Party B's perspective is only accurate as of Trade Date. Changes in the market value of the Transaction, due to parallel shifts in INR OIS curve and change in Reference Security price are tabulated in the analysis below.

This analysis does not take into account other factors and parameters (market, trading, liquidity or otherwise) which may include, but which are not limited to any adjustment for INR interest rate forwards, credit charges or model parameters-marks. If such parameters move in extreme fashions, they may cause the MTM of the Transaction to change significantly and may change in a way that adversely impacts Party B.

Change in market value of the transaction for Parallel Shift in INR OIS curve

Parallel shift in INR OIS curve [in bps]	Change in market value [INR]
-1000	-643,868,951
-500	-274,534,305
-200	-100,341,609
-100	-48,726,199
-20	-9,522,951
0	0
20	9,414,643
100	46,017,509

Change in market value of the transaction due to the change in the Reference Security price

Reference Security price	Change in market value [INR]
62.5599%	-400,000,000
67.5599%	-350,000,000
72.5599%	-300,000,000
82.5599%	-200,000,000
92.5599%	-100,000,000
102.5599%	0
107.5599%	50,000,000
112.5599%	100,000,000
117.5599%	150,000,000

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A negative number in change in market value in the above tables denotes a loss of market value of the transaction to Party B.

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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:

Reference Security Price: [102.5599%](#)

INR OIS Curve:

O/N	6.450
1m	6.440
3m	6.620
6m	6.710
1y	6.730
2y	6.350
3y	6.250
4y	6.250
5y	6.250
7y	6.420
10y	6.450

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
Reference Security Price	If Reference Security Price moves down, MTM for Party B will get adversely impacted. If Reference Security Price moves up, MTM for Party B will get favorably impacted.
INR OIS Curve	If INR OIS curve moves lower, MTM for Party B will get adversely impacted. If INR OIS curve moves higher, MTM for Party B will get favorably impacted

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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.

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Representations, Warranties and Undertakings of the parties:

In addition to those set out below, standard representations under the ISDA Master Agreement, Schedule to the ISDA Master Agreement and relevant Confirmation relating to this Transaction ("**ISDA Documentation**") shall apply;

- a) Each party hereby represents, warrants and undertakes on a continuing basis that -
1. it will be deemed to represent to the other party on the date on which it enters into a transaction (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that transaction):-
 - i. **Non-Reliance:** It is acting for its own account, and it has made its own independent decisions to enter into that transaction and as to whether that transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisors as it has deemed necessary. 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 a transaction will not be considered investment advice or a recommendation to enter into that transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that transaction.
 - ii. **Assessment and Understanding:** 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 that transaction. It is also capable of assuming, and assumes, the financial and other risks of that transaction.
 - iii. **Status of parties:** The other party is not acting as a fiduciary for or an advisor it in respect of that transaction.
 - iv. This Transaction is subject at all times, to the applicable laws, including but not limited to the regulations, rules, circulars, guidelines, guidance notes, clarifications, publications and notifications as may be applicable and amended from time to time issued by the Reserve Bank of India ("RBI") and the rules, regulations circulars, guidelines, guidance notes, clarifications, publications and notifications as may be applicable and amended from time to time issued by the Insurance Regulatory and Development Authority of India and the Securities and Exchange Board of India (collectively, the "Regulations") and does not contravene any of the said Regulations.
- b) it consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential transaction (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any proceedings.
- c) Party B represents, warrants and undertakes to JPMorgan that:-
1. it has familiarized itself and fully understood the above terms and conditions and accepts the risks of entering into this Transaction;
 2. it has obtained all necessary approvals and consents (external or otherwise) it requires to enter into this Transaction (or any part thereof) and all such approvals and consents are in full force and effect and all conditions of any such consents have been (and shall continue to be) complied with;
 3. it has the capacity and authority to enter into this Transaction and to perform its obligations under this Transaction and has taken all necessary action to authorize such execution, delivery and performance under any relevant laws and regulations and that it is not violating any such laws and regulations by entering into this Transaction;
 4. it shall comply with all relevant rules and regulations in relation to the accounting and regulatory treatment of this Transaction and shall disclose this Transaction in compliance with all such relevant rules and regulations;
 5. it shall obtain all necessary approvals and consents from its auditors and any relevant regulatory authority and comply with all such approvals and consents with regards to this Transaction;
 6. 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;

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7. 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; and .
 8. it shall seek its own accounting advice as to the manner in which it will be required to account for this Transaction and it shall account for this Transaction in its financial statements in accordance with prevailing accounting principles and practices generally accepted in India, taking into account any changes to such accounting principles and practices and to the extent required, it will disclose this Transaction in compliance with such accounting principles and practices.
- d) In addition, Party B acknowledges that:
1. JPMorgan is not making, and has not made, any representation whatsoever in respect of the Reference Security or the Issuer.
 2. This Transaction does not create either a direct or indirect obligation of the Issuer owing to Party B or a direct or indirect participation by Party B in the Reference Security (or any other obligation of the Issuer) owing to JPMorgan.
 3. JPMorgan and its Affiliates may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking business with the Issuer or its Affiliates or any other person or entity having obligations relating to the Reference Security and may act with respect to such business in the same manner as if this Transaction did not exist, regardless of whether any such action might have an adverse effect on the Issuer or the position of Party B in this Transaction. JPMorgan or its Affiliates may vote their respective interests (if any) in the Reference Security, purchase or sell the Reference Security, provide bid and offer prices with respect to the Reference Security, affect the market value of the Reference Security, and otherwise participate in all markets for the Reference Security as if this Transaction did not exist, regardless of whether any such action might have an adverse effect on Party B or the position of Party B in this Transaction. All these activities in relation to the Reference Securities are undertaken by JPMorgan or its Affiliates in its ordinary course of business. Additionally, Party B to note that JPMorgan, as a member of the Fixed Income Money Market and Derivatives Association of India ("FIMMDA"), is a signatory to FIMMDA's code of conduct of fair practices for debt markets available on <http://www.fimmda.org/modules/content/?p=1122> (as amended from time to time), which amongst other directions, requires market participants to not enter into or refrain from entering into transactions with the primary intent of disrupting the market, distorting the prices, or artificially inflating trading volumes. Party B expressly acknowledges and agrees that Party B will not have any power or right to vote or otherwise direct performance of the Reference Security, either through the exercise of rights to enforce covenants or to seek remedies for events of default or otherwise, nor any other voting rights in respect of the Reference Security
 4. JPMorgan and its Affiliates may, whether by virtue of the types of relationships described above or otherwise, at the Trade Date of this Transaction or at any time thereafter be in possession of information (financial or otherwise) in relation to the Issuer or the Reference Security that is or may be material in the context of this Transaction and that is not or may not be known to the general public or to Party B. Neither JPMorgan nor any of its Affiliates has any obligation, and this Transaction shall not create any obligation on the part of JPMorgan or any of its Affiliates, to disclose to Party B any such relationship or information (whether or not confidential).
 5. Party B acknowledges and agrees that neither JPMorgan nor any of its Affiliates shall be under any obligation to hedge this Transaction or to own or hold the relevant Reference Security, that JPMorgan and its Affiliates may establish, maintain, modify, terminate or re-establish any hedge position or any methodology for hedging at any time without regard to Party B, and that Party B is not relying on any representation, warranty or statement by JPMorgan or any of its Affiliates as to whether, at what times, or by what method, JPMorgan or any of its Affiliates may engage in any hedging activities.

ACCEPTED and AGREED

for and on behalf of
Party B

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[Name] [Title]

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