This product disclosure statement only highlights the key features and risks of this OTC derivative product (the "Product Disclosure Statement"). Counterparties/Users are advised to request, read and understand the Product Disclosure Statement and all other disclosure documents before deciding to transact.

Interest Rate Seagull with Knockout

STATEMENT OF DISCLAIMER

The Product Disclosure Statement in relation to this Interest Rate Seagull with Knockout (the "Transaction"), includes only indicative terms, conditions and risks (including all indications as to costs, returns and cash flows) associated with the Transaction and although the information set forth below is reflective of the terms, conditions and risks as of a specified date, and is based on current assumptions and market conditions under which JPMorgan believes the Transaction can be carried out, no assurance can be given by JPMorgan that the Transaction could in fact be executed and JPMorgan is not obliged to enter into the Transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. This should also not be taken to indicate that JPMorgan recommends the Transaction. Opinions and estimates constitute JPMorgan' judgment and are subject to change without notice. Examples shared are for illustrative purposes only and any past performance is not indicative of future results. Counterparty/User is advised to make an independent review and reach its own conclusion and judgment regarding whether the Transaction is appropriate and proper for it. Counterparty/User needs to consult its own advisors regarding the legal, credit, tax, accounting or any other aspects including suitability implications of the Transaction for its own particular circumstances. This Product Disclosure Statement is not intended as an offer or solicitation for the purchase or sale of any financial instrument. This Product Disclosure Statement has been prepared by JPMorgan Sales and Trading personnel and is not the product of JPMorgan's Research Department. It is not a research report and is not intended as such. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the Transaction described in this Product Disclosure Statement. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise. This Product Disclosure Statement is provided on a confidential basis and may not be reproduced, redistributed or transmitted, in whole or in part, without the prior written consent of JPMorgan. Any unauthorized use is strictly prohibited.

For the purpose of the Product Disclosure Statement, the Transaction is described with US Rates as the underlying. The transaction description is also applicable for Rates

underlying of other currencies. Please use these details in conjunction with other applicable PDS for risks pertaining to transactions

1. What are the features of this product?

This is an interest rate linked over-the-counter ("**OTC**") derivative product (the "**Transaction**"). This Transaction allows the user to hedge exposure arising out of rising Floating interest rates (Floating Rate Option) , with an added barrier mechanism.

This Transaction is usually structured as a zero cost hedging instrument, where the user is hedged against Floating Rate Option movements above and below two pre-determined Strike Rates, with a cap on the profit from the transaction above a pre-determined level (Cap Strike). The holder can participate in the Floating Rate Option interest market rate between the two Strike Rates but is partially exposed to Floating Rate Option movements beyond the Cap Strike and completely exposed beyond Barrier Level . This product can be analyzed as an underlying Floating Rate option with the overlay of a 'barrier mechanism' of Knock Out type

A Knock-Out barrier means that the underlying derivative payout is extinguished if the underlying asset reaches a predetermined barrier level at expiry.

This Transaction potentially helps the user in availing better Cap Strike compared to a Vanilla Seagull while keeping other strikes same due to the added barrier mechanism

Upon purchase, the user usually pays the premium upfront. The user may also pay the premium on a deferred basis as a regular fixed rate coupon computed on the outstanding notional at a predetermined frequency during the life of the transaction. Upon selling, the user (seller in this case) receives the premium.

Decomposition:

- Strip of sell floor-lets and strip of sell/buy cap-lets
- Strip of sell binary cap-lets

2.Contract terms and conditions

Party A:	JPMorgan Chase Bank, N.A., Mumbai Branch
Party B:	User
Trade Date:	[ ]
Effective Date:	[ ]
Termination Date:	[ ]
Notional Amount:	USD [ ]
Business Day Convention:	[ ]
Business Days:	[ ]
Interest Rate Option Type:	[Interest Rate Seagull with Knockout]
Floating Rate Option:	[USD SOFR-COMPOUND]
Floor Strike:	[ ]
Cap Strike 1:	[ ]
Cap Strike 2:	[ ]
KO Barrier:	[ ]
Calculation Agent:	Party A (unless stated otherwise in ISDA (as defined below))
Premium:	-Nil- (in most cases)

<u>Party A Payments</u>

Party A pays (in USD):

On each Party A payment date-:

- If USD SOFR-COMPOUND on Expiration Date is less than or equal to Floor Strike:
    - Party B pays (Floor Strike – USD SOFR-COMPOUND) * Day Count Fraction * Notional Amount
- If USD SOFR-COMPOUND on Expiration Date is greater than Floor Strike and lesser than Cap Strike 1:
    - No settlement
- If USD SOFR-COMPOUND on Expiration Date is greater than or equal to Cap Strike 1 and lesser than Cap Strike 2:
    - Party B receives (USD SOFR-COMPOUND – Cap Strike 1) * Day Count Fraction * Notional Amount
- If USD SOFR-COMPOUND on Expiration Date is greater than or equal to Cap Strike 2 and less than or equal to KO Barrier:
    - Party B receives (Cap Strike 2 – Cap Strike 1) * Day Count Fraction * Notional Amount
- If USD SOFR-COMPOUND on Expiration Date is greater than KO Barrier:

- No Settlement

Party A Payment Dates:	[ ] on [ ] of every [ ] commencing on [ ] up to and including the Termination Date. All payment dates are subject to adjustment in accordance with the Business Day Convention
Party A Day Count:	[ ], Adjusted
Documentation:	ISDA

3. What are the benefits of this product for the user/Party B?

This Transaction potentially helps the user to hedge against adverse interest rate movements, while still being able to participate in the market rates between the Floor Strike and Cap Strike 1. The user can avail better Cap Strike 1 compared to a Vanilla Seagull while keeping other strikes same due to the added barrier mechanism

If the user is looking to hedge an underlying short position in interest rates, they can hedge their exposure using this structure although there is risk of losing the hedge if underlying asset reaches a predetermined barrier level at expiry.

Illustration:

- Market maker is Party A, user is Party B
- Notional Amount: USD 1 million
- Effective Date: T+2
- Tenor: 3 years
- Floating Rate Option: USD SOFR-COMPOUND
- Floor Strike : 4.00%
- Cap Strike 1: 4.26%
- Cap Strike 2: 4.50%
- KO Barrier: 4.75%
- User Sells Floor at Floor Strike , buys Cap at Cap Strike 1 with KO and Sells Cap at Cap Strike 2 with KO

Scenario	Favorable/ Unfavorable	Calculation Period	USD SOFR-COMPOUND Fixing	Payout (p.a.)
Floating Rate decreases and is below the Floor Strike over the tenor of the trade	Unfavorable	1	3.90%	-0.10%
	Unfavorable	2	3.80%	-0.20%
	Unfavorable	3	3.70%	-0.30%
	Unfavorable	1	4.10%	0.00%

Floating Rate stays between Floor Strike and Cap Strike 1 over the tenor of the trade	Unfavorable	2	4.15%	0.00%
	Unfavorable	3	4.20%	0.00%
Floating Rate stays between Cap Strike 1 and Cap Strike 2 over the tenor of the trade	Favorable	1	4.30%	0.04%
	Favorable	2	4.35%	0.09%
	Favorable	3	4.40%	0.14%
Floating Rate increases and stays above Cap Strike 2 over the tenor of the trade	Favorable	1	4.60%	0.24%
	Favorable	2	4.70%	0.24%
	Unfavorable	3	4.80%	0%

4. What are the risks involved?

There are significant risks associated with this Transaction including, but not limited to, foreign exchange risk, 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 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 Transaction.

Interest Rate Risk:

This Transaction is exposed to movements in interest rates. If USD interest rates decrease from current levels, the market value of the Transaction from Party B's perspective may be adversely impacted.

Fixing Risk:

If the Floating Rate decreases and fixes lower than the Floor Strike, Party B will be required to make payments to Party A for that relevant Floating Rate Payer Calculation Period.

Asymmetric Payoff Risk:

This Transaction is constructed by means of a combination of interest rate options. 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.

Volatility Risk:

This Transaction is exposed to movements in volatility in USD interest rates. If USD interest rates volatilities change from current levels, the MTM of the Transaction from Party B's perspective may be adversely impacted.

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.

Credit Risk:

The Transaction 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.

5. How does the payoff profile look like?

Payoff of the transaction:

<table>
<tr><th>USD SOFR-COMPOUND Fixing Rate ^</th><th>Floor Strike</th><th>Cap Strike 1</th><th>Cap Strike 2</th><th>KO Barrier</th><th>Range of Underlying Asset</th><th>Payoff at Payment Date</th></tr>
<tr><td rowspan="3">S</td><td rowspan="3">F</td><td rowspan="3">C1</td><td rowspan="3">C2</td><td rowspan="3">B</td><td>S≤F</td><td>Party B Pays (F - S) * Day Count Fraction * Notional Amount</td></tr>
<tr><td>F<S<C1</td><td>0</td></tr>
<tr><td>C1≤S<C2</td><td>Party B Receives (S – C1) * Day Count Fraction * Notional Amount</td></tr>
</table>

					C2≤S≤B	Party B Receives (C2 - C1) * Day Count Fraction * Notional Amount
					S>B	0

^ USD SOFR-COMPOUND or any other permitted Floating Rate Option, based on fixing rate observed at Period Start (Standard) corresponding to each Payment Period.

6. What are the fees and charges the user will have to pay?

Unless stated otherwise in the termsheet or trade confirmation of the Transaction agreed with the user, the price that Party A quotes to its users is inclusive of any charges, costs etc. that Party A needs to bear in order to offer the Transaction to the user.

7. How often are valuation statements will be available for user/Party B?

Valuation statements in relation to all Transactions executed between parties, which is updated on daily basis, will be made available to Party B on the “Optimize” application present on Party A’s online platform, J.P.Morgan Markets (“Optimize Platform”). Party B will be able to view and download such valuation statements from the Optimize Platform for a specific period of time as notified by Party A, from time to time. To the extent Party B wishes to receive any particular valuation statement via email or any other mode of communication, it should reach out to its representative at Party A and make a request in writing to receive such valuation statement via email or any other mode of communication as agreed between the parties. Party A shall consider Party B's request and if reasonable and operationally practicable, it will share the particular valuation statement requested via email or any alternative mode of communication with Party B.

8. How can the user/Party B exit from this Transaction and what are the costs involved?

Similar to any OTC derivative transaction in case Party B wishes to terminate this Transaction, either in part of in full, prior to the scheduled termination date on any business day, Party B can request Party A to provide an early termination quote, which shall take into account the mid mark to market value of this Transaction from Party A's perspective minus applicable costs which include without limitation, unwind cost, hedging cost, cost of funding, and/or other expenses.

Early termination quote will take into account, among other factors, prevailing market rates, liquidity, price factors, Party A's hedging obligations and such other factors deemed relevant by Calculation Agent in its sole and absolute discretion.

Party B shall communicate to Party A whether they would like to proceed with the early termination/unwind and that early termination quote is accepted by Party B.

a. If the early termination quote is greater than zero, Party B shall pay such amount to Party A.
b. Else, Party A shall pay to counterparty the absolute value of the early termination quote.

For avoidance of doubt, upon the payment of early termination quote, this Transaction shall terminate and no further amounts payable by either parties.