

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.

Rate Lock Agreement

STATEMENT OF DISCLAIMER

The Product Disclosure Statement in relation to this Rate Lock Agreement (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’s 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.

PRODUCT DISCLOSURE STATEMENT

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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 transaction

1. What are the features of this product?

This is an over-the-counter (“**OTC**”) derivative product (the “**Transaction**”). This Transaction allows the user to lock-in the future Interest Rate of Designated Maturity. The Transaction can be used to hedge the Interest Rate risk of future bond issuance and interest rate risk on the position on Bonds against changes in Treasury Yields.

The user receives the net settlement i.e. the difference between the then prevailing Interest Rate of the Designated Maturity and the Reference Rate, multiplied by the DV01 of any chosen security (chosen on the Trade Date or on the Expiration Date) with Face Value same as the Notional of the Transaction upon expiry of the Transaction. The Transaction is cash settled and requires zero upfront payment from the user.

Variation:

- **Buy Rate Lock Agreement:** User holds obligation to receive or pay the net settlement amount on the Settlement Date

2. Contract terms and conditions

Party A: JPMorgan Chase Bank, Mumbai branch

Party B: User

Trade Date: []

Cash Settlement Payment Date: [] Business Day following the Forward Date

Forward Date: [], subject to adjustment in accordance with the Business Day Convention

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Securities : []

Reference Rate: []

Notional Amount: []

Index Rate: The offer rate (expressed as a percentage) for the Securities quoted by JPMorgan in good faith on the Forward Date.

Settlement: Cash

Cash Settlement Amount: (a) The Cash Settlement Amount shall be conclusively determined by Party A as follows:

On the Forward Date, prior to 3:30 p.m., New York time, Party B will give irrevocable oral notice to Party A (which will be given by telephone) at the time at which the Party B wants the Index Rate determined. If the Party B does not so notify Party A by 3:30 p.m., New York time, on the Forward Date, Party A shall determine the Index Rate at or about such time.

(b) The Cash Settlement Amount will be equal to the product of (i) the yield differential between the Reference Rate and the Index Rate, expressed in basis points (i.e., 1 basis point=0.01%), and (ii) the Dollar Value of a Basis Point ("DV01").

The "Dollar Value of a Basis Point" shall mean the price change, expressed in U.S. Dollars, which would occur on a face amount, equal to the Notional Amount, of the Securities if the yield to maturity moves one basis point from the Index Rate.

For the avoidance of doubt the Dollar Value of a Basis Point shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

(c) If the Index Rate is lower than the Reference Rate, Party B shall pay to Party A the absolute value of the Cash Settlement Amount on the Cash Settlement Payment Date. If the Index Rate is higher than the Reference Rate, Party A shall pay to Party B the absolute value of the Cash Settlement Amount on the Cash Settlement Payment Date.

Calculation Agent: Party A (unless stated otherwise in ISDA (as defined below))

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 price movement in underlying Interest Rate and lock in a calculated level for a future date.

Illustration:

Example of protection via Rate Lock Agreement on 10y USD Swap Rate

- Market maker is Party A, user is Party B
- Notional Amount: USD 100 million
- Reference Rate: 3.75%
- DV01 of chosen Security on Forward Date: USD 100,000

Illustration of best and worst case scenarios:

Favorable Case: 10y USD Swap Rate on Forward Date is 4.05% (i.e. above Forward Rate), •
Party B receives $\text{USD } 100,000 * (4.05\% - 3.75\%) * 10,000 = \text{USD } 3,000,000$
• Effective net profit from the Transaction to the user is USD 3,000,000

Unfavorable Case: 10y USD Swap Rate on Forward Date is 3.25% (i.e. below Forward Rate),
Party B pays $\text{USD } 100,000 * (3.75\% - 3.25\%) * 10,000 = \text{USD } 5,000,000$
Effective net loss from the Transaction to the user is USD 5,000,000

4. What are the risks involved?

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

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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:

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.

5. How does the payoff profile look like?**Payoff of the transaction:**

Forward Rate: K

DV01 of chosen Security on Forward Date: DV01

On Forward Date	Payoff
10y USD Swap Rate on Forward Date : S	On Cash Settlement Payment Date • Party B receives/pays $(S - K) \cdot DV01$

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

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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 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 or 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.