PRODUCT DISCLOSURE STATEMENT

J.P.Morgan

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.

Cross Currency Swap

Date : [26 September 2024]

STATEMENT OF DISCLAIMER

The Product Disclosure Statement in relation to this Cross Currency Swap (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.

1. What are the features of this product?

A Cross Currency Swap is an over-the-counter ("**OTC**") derivative product (the "**Transaction**") which helps the user to hedge an underlying foreign currency asset or liability against FX and interest rate movements. A Cross Currency Swap ("CCS") is typically used to convert the foreign

currency asset or liability into a domestic currency asset or liability. Terms of the CCS on interest payment and principal exchange can be designed to suit the schedule of the underlying liability or asset of the user and the currency interest rate type (Fixed rate of Floating rates) into which the user is looking to convert. The Transaction may also involve exchange of principals during the tenor of the swap. The transaction usually does not have an upfront fee.

The user is completely hedged against both exchange rate and foreign currency interest rate movements.

The user is relying on the creditworthiness of the market maker. On the Settlement Date, the contractual Settlement Payments shall take place between user and the market maker, provided that the market maker is solvent.

The market maker, JPMorgan Chase Bank, Mumbai branch, is a financial institution licensed by Reserve Bank of India**.**

Variation:

	Interest Exchange	**Principal Exchange**	
Cross Currency Swap	Fixed vs Fixed Fixed vs Floating Floating vs Floating	Both initial and final exchanges	Hedge both exchange rate risk and interest rate risk from both principal payments and interest payments
Coupon Only Swap	Fixed vs Fixed Fixed vs Floating Floating vs Floating	No exchange	Hedge both exchange rate risk and interest rate risk from interest payments alone
Principal Only Swap	Only one party pays Fixed	Both initial and final exchanges	Hedge exchange rate risk from principal payments

2. Contract terms and conditions

<u>General Terms</u>

Trade Date:	[ ]
Effective Date:	[ ]
Termination Date:	[ ], subject to the [ ] convention
[USD] Notional Amount:	USD [ ]
[INR] Notional Amount:	INR [ ]
Business Day Convention:	[ ]
Business Days:	[ ]

Spot Reference:	[ ]
Calculation Agent:	Party A
Governing Law:	English
Documentation:	ISDA
Interest Exchange	
Party A Payments	
Party A pays (in USD):	Floating Rate Option + Spread (or [Fixed Rate 1]%) p.a. on USD Notional
Party A Payment Date:	[ ] on every [ ] commencing on [ ] and ending on Termination Date, subject to adjustment in accordance with the Business Day Convention.
Party A Day Count:	[ ], Adjusted
Party B Payments	
Party B pays (in INR):	[Fixed Rate 2]% p.a. (or Floating Rate Option 2 + Spread 2 on the INR Notional
Party B Payment Date:	[ ] on every [ ] commencing on [ ] and ending on Termination Date, subject to adjustment in accordance with the Business Day Convention.
Party B Day Count:	[ ], Adjusted
Documentation:	The Transaction will governed by and subject to the ISDA Master Agreement (including the Schedule, any Credit Support Annex, individual Confirmation for this Transaction and any amendments to the foregoing documents) executed between Party A and Party B (the "**ISDA**").

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

Cross Currency Swaps have considerable risks and benefits being associated to it. These structures gives the party to hedge and swap liabilities/ assets denominated in one currency to the other. The user can select the benchmark currency and interest rate to suit internal risk management strategy and market opportunities.

The structure can be unwound easily.

Illustrations:

Foreign currency (USD) Floating Rate (USD SOFR-COMPOUND) Liability: User can hedge this liability by swapping the cashflows into a Fixed (or floating rate) liability in domestic currency (INR) using USDINR Cross Currency Swap.

- User Receives USD SOFR-COMPOUND + Spread (Liability interest cost) p.a., SA on USD Notional, pays INR [ ]% p.a., on INR Notional (equal to USD Notional x USDINR Spot FX on Trade Date)
- User Receives INR Notional, Pays USD Notional on Effective Date
- User Pays INR Notional and Receives USD Notional on Termination Date
- User is completely hedged against higher moves in USD floating rates, and INR depreciation against USD, thought user is still exposed to INR interest rate movements

Foreign currency (USD) Fixed Rate Asset: User can hedge this asset by swapping the cashflows into a Fixed (or floating rate) asset in domestic currency (INR) using USDINR Cross Currency Swap.

- User pays [ ]% (asset yield) p.a., SA on USD Notional, receives INR [ ]% p.a., on INR Notional (equal to USD Notional x USDINR Spot FX on Trade Date)
- User Pays INR Notional, Receives USD Notional on Effective Date
- User Receives INR Notional and pays USD Notional on Termination Date
- User is completely hedged against higher moves in USD interest rates, and INR appreciation against USD, thought user is still exposed to INR interest rate movements

4. What are the risks involved?

There are risks associated with this Transaction including, but not limited to, foreign exchange risk, interest rate risk, price risk, liquidity risk and credit risk. Users 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 user's particular circumstances. No user should enter into the Transaction described above unless that user 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 interest rates move from their current position, there is a risk that Party B will pay more than it receives in comparison to the then current interest rates available in the market for such interest rates

Fixing Risk:

In case of Party B receiving (paying) Floating rate option, If floating rate fixings decrease (or increase), the NET payments received by Party B will decrease.

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 credit risk of the market-maker i.e. Party A.

Ordinary Course of Business:

In the ordinary course of their business, Party A 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 Party A 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 Party A 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:

Notional Exchange:

Cross Currency Swap & Principal Only Swap:
Party B Receives (Pays) Currency 2 Notional and Pays (Receives) Currency 1 Notional on Effective Date
Party B Pays (Receives) Currency 2 Notional and Receives (Pays) Currency 1 Notional on Termination Date

Coupon Only Swap:
Not Applicable

Interest Exchange:

	On Each Currency 1 Payment Date	On Each Currency 2 Payment Date
Fixed - Floating CCS or COS	Party B Receives (Pays) Amount = Notional 1 x DCF 1 x Fixed Rate1	Party B Pays (Receives) Amount = Notional 2 x DCF 2 x Floating Rate Option Fixing
Floating - Floating CCS or COS	Party B Receives (Pays) Amount = Notional 1 x DCF 1 x Floating Rate Option Fixing 1 + Spread	Party B Pays (Receives) Amount = Notional 2 x DCF 2 x Floating Rate Option Fixing 2 + Spread
Fixed – Fixed CCS or COS	Party B Receives (Pays) Amount = Notional 1 x DCF 1 x Fixed Rate1	Party B Pays (Receives) Amount = Notional 2 x DCF 2 x Fixed Rate 2
POS	Party B Pays (or receives) Fixed Rate x DCF x Notional (Either in Currency 1 or Currency 2)	

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.