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.

Interest Rate Collar

Date : [26 September 2024]

STATEMENT OF DISCLAIMER

The Product Disclosure Statement in relation to this Interest Rate Collar (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?

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 / declining Floating interest rates (Floating Rate Option).

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, and can participate in the Floating Rate Option market rate between the two Strike Rates through the tenor of the Collar.

The user pays the premium (if any) upfront. User may also pay the premium at the expiry of the transaction, or on a deferred basis as a regular fixed rate coupon computed on the outstanding notional at pre-determined frequency during the life of the transaction. Upon selling, user (seller in this case) receives the premium (if any).

The user is relying on the creditworthiness of the market maker. On the Expiry Date, the Settlement Payments will be returned to the user, 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:

- Long Interest Rate Collar
- Short Interest Rate Collar

Decomposition:

- **Long Interest Rate Collar**: Buy Interest Rate Cap with Strike Rate at C_K and sell Interest Rate Floor at Strike P_K
- **Short Interest Rate Collar**: Sell Interest Rate Cap with Strike Rate at C_K and Buy Interest Rate Floor at Strike P_K

2. Contract terms and conditions

Party A:	JPMorgan Chase Bank, Mumbai branch
Party B:	User
Trade Date:	[ ]
Effective Date:	[ ]
Termination Date:	[ ]
Notional Amount:	USD [ ]
Business Day Convention:	[ ]
Business Days:	[ ]
Floating Rate Option:	[USD SOFR-COMPOUND]
Cap Strike:	[ ]
Floor Strike:	[ ]

Calculation Agent:	Party A (unless stated otherwise in ISDA (as defined below))
Premium:	USD [ ]
<u>Party A Payments</u>	
Party A pays (in USD) :	**For Long Collar** On each Party A Payment Date, If USD SOFR-COMPOUND greater than or equal to Cap Strike Party A pays (USD SOFR-COMPOUND – Cap Strike) * Day Count Fraction * Notional Amount If USD SOFR-COMPOUND is less than Cap Strike, greater than or equal to Floor Strike No Settlement If USD SOFR-COMPOUND less than or equal to Floor Strike Party A receives from Party B (Floor Strike - USD SOFR-COMPOUND) * Day Count Fraction * Notional Amount **For Short Collar** On each Party A Payment Date, If USD SOFR-COMPOUND greater than or equal to Cap Strike Party A receives from Party B (USD SOFR-COMPOUND – Cap Strike) * Day Count Fraction * Notional Amount If USD SOFR-COMPOUND is less than Cap Strike, greater than or equal to Floor Strike No Settlement If USD SOFR-COMPOUND less than or equal to Floor Strike Party A Pays (Floor Strike - USD SOFR-COMPOUND) * Day Count Fraction * Notional Amount
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:	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?

The Transaction is suitable for users looking to hedge against adverse Floating Rate evolution above and below the Floor Strike and the Cap Strike and can still participate in the floating rate option market rate between the two Strike Rates.

Long (Short) Collar: Users with an underlying short (long) position in the corresponding Floating Rate Option (such as USD SOFR-COMPOUND) can hedge their exposure against increasing (decreasing) future Floating rates fixing above (below) Cap (Floor) Strike and below (above) Floor (Cap) Strike, and can still participate in favorable movements between Cap Strike and Floor Strike.

Example of hedging using Long Collar

- Market maker is Party A, user is Party B
- Notional Amount: USD 1 million
- Effective Date: 3m
- Termination Date: 12months from Effective Date
- Floating Rate Option: USD SOFR-COMPOUND
- Cap Strike 4.00%
- Floor Strike: 2.60%
- User buys the Cap at Cap Strike, and Sells Floor at Floor Strike

Illustration of best and worst case scenarios:

	Calculation Period	USD SOFR-COMPOUND Fixing	Collar Payout (p.a.)
Favorable	1	4.05%	0.05%
	2	4.10%	0.10%
	3	4.15%	0.15%
	4	4.20%	0.20%
Unfavorable	1	2.55%	-0.05%
	2	2.50%	-0.10%
	3	2.45%	-0.15%
	4	2.40%	-0.20%

Example of hedging using Short Collar

- Market maker is Party A, user is Party B

- Notional Amount: USD 1 million
- Effective Date: 3m
- Termination Date: 12months from Effective Date
- Floating Rate Option: USD SOFR-COMPOUND
- Cap Strike 4.00%
- Floor Strike: 2.60%
- User Sells the Cap at Cap Strike, and Buys Floor at Floor Strike

Illustration of best and worst case scenarios:

	Calculation Period	USD SOFR-COMPOUND Fixing	Cap Payout (p.a.)
Favorable	1	2.55%	0.05%
	2	2.50%	0.10%
	3	2.45%	0.15%
	4	2.40%	0.20%
Unfavorable	1	4.05%	-0.05%
	2	4.10%	-0.10%
	3	4.15%	-0.15%
	4	4.20%	-0.20%

4. What are the risks involved?

There are risks associated with this Transaction including, but not limited to, foreign exchange 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 USD interest rates changes from current levels, decrease/increase, the market value of the transaction from Party B's perspective may be adversely impacted.

Volatility Risk:

This Transaction is exposed to movements in volatility in USD interest rates. If volatility changes from its current position, there is a risk that the mark to market value of the Transaction for Party B will be adversely affected.

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.

Party A has priced, executed and will manage the risks associated with this Transaction in a principal capacity and at arm's length. Party A is not acting as your fiduciary, agent or advisor in relation to the execution of this Transaction and management of the associated risks. Party A has made no representation or warranty to you concerning the performance of this Transaction or Party A's other activities and/or competing interests that could conflict with this Transaction at any point during the term of the Transaction.

5. How does the payoff profile look like?

Payoff of the transaction:

C_K: Cap Strike

F_K: Floor Strike

USD SOFR-COMPOUND Fixing Rate^	Option Type	Range of underlying asset	Payoff at Payment Date
S	Long Collar	$S > C_K$	Party B Receives $(S-C_K)$ x Notional Amount x Day Count Fraction
		$F_K < S \leq C_K$	0

		$S \leq F_K$	Party B Pays (F_K-S) x Notional Amount x Day Count Fraction
	Short Collar	$S > C_K$	Party B Pays (S-C_K) x Notional Amount x Day Count Fraction
		$F_K < S \leq C_K$	0
		$S \leq F_K$	Party B Receives (F_K-S) x Notional Amount x Day Count Fraction

^ 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.