

[Pls amend header in line with the applicable entity]

To: [Pls specify the applicable client entity name]

Attn: [.....]

Email: [.....]

Date: [.....]

Ref : [.....]

## **AMERICAN DOUBLE ACCRUAL FORWARD CONFIRMATION**

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The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") entered into between [Pls specify applicable entity name] ("Bank" or "Party A") and [Pls specify the applicable client entity name] ("Counterparty" or "Party B"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 1998 FX and Currency Option Definitions (the "FX Definitions") (as published by the International Swaps Derivatives Association, Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee), as amended and supplemented (by any of the publishing bodies) through to the Trade Date, are incorporated into this Confirmation. In the event of any inconsistency between those provisions and this Confirmation, this Confirmation will prevail.

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part of and is subject to, the ISDA Master Agreement dated as of [Pls state applicable ISDA MA date] as amended and supplemented from time to time between [Pls specify Party A or the applicable entity] and [Pls specify Party B or the applicable client entity name]. All provisions contained or incorporated by reference in such Agreement shall govern this Confirmation except as expressly modified above.

### **1. The terms of the Transaction to which this Confirmation relates are as follows:**

Trade Date : 01 July 2014  
Trade Time : Available Upon Request

Party A Bought Currency and Amount 1 : USD 3,290,625.00  
Party A Bought Currency and Amount 2 : USD 6,581,250.00

Party A Sold Currency and Amount 1 : GBP 1,950,000.00  
Party A Sold Currency and Amount 2 : GBP 3,900,000.00

Forward Rate : 1.6875 USD/GBP  
Knock-Out Rate : 1.7470 USD/GBP

Accrual Period Start Date : Please see below Schedule

Accrual Period End Date	: Please see below Schedule
Accrual Period	: From and including the relevant Accrual Period Start Date up to and including the relevant Accrual Period End Date.
Fixing Days	: Each Euro Settlement Date during the Accrual Period
Settlement Date	: Two London and New York Business Days following the relevant Accrual Period End Date
Business Day Convention	: Following
Calculation Agent	: Party A (All determinations made by the Calculation Agent shall be made in good faith and in a commercially reasonable manner)
Total Number of Fixing Days in the Observation Period	: 13, for avoidance of doubt, this number is subject to change in the case of an unscheduled applicable Business Day holiday occurring during the Accrual Period.
Business Days Applicable to Observation Period	: Euro Settlement Date
Business Days Applicable to Settlement	: London and New York
Business Days Applicable to Premium Payment Date	: London
Premium Payer	: Party A
Premium Amount	: GBP 14,000.00
Premium Value Date	: 03 July 2014
Premium Payment Instructions	: As per Standard Settlement Instructions
Party A Account Details	: As per Standard Settlement Instructions
Party B Account Details	: As per Standard Settlement Instructions

**Offices:**

Party A :  
Party B :

**Schedule:**

Accrual Date	Accrual Period Start Date	Accrual Period End Date	Number of Euro Settlement Dates in the Accrual Period
1	15/07/2014	15/07/2014	1
2	29/07/2014	29/07/2014	1
3	12/08/2014	12/08/2014	1
4	26/08/2014	26/08/2014	1
5	09/09/2014	09/09/2014	1
6	23/09/2014	23/09/2014	1
7	07/10/2014	07/10/2014	1
8	21/10/2014	21/10/2014	1
9	04/11/2014	04/11/2014	1
10	18/11/2014	18/11/2014	1
11	02/12/2014	02/12/2014	1
12	16/12/2014	16/12/2014	1
13	30/12/2014	30/12/2014	1

## 2. Settlement terms:

The following exchanges will be made in relation to each Accrual Period (as detailed in the above Accrual Period Schedule) on each relevant Settlement Date:

Party A Buys: a). Party A Bought Currency and Amount 1 \* (the total number of Accrual Days 1 / Total Number of Fixing Days in the Observation Period); and

b). Party A Bought Currency and Amount 2 \* (the total number of Accrual Days 2 / Total Number of Fixing Days in the Observation Period)

Party B Buys: a). Party A Sold Currency and Amount 1 \* (the total number of Accrual Days 1 / Total Number of Fixing Days in the Observation Period); and

b). Party A Sold Currency and Amount 2 \* (the total number of Accrual Days 2 / Total Number of Fixing Days in the Observation Period)

For avoidance of doubt, if the Knock-Out Date occurs prior to any of the Accrual Period Start Dates (see Accrual Period Schedule), then there shall be no Settlement in respect of the Accrual Period to which such Accrual Period Start date relates.

## 3. Additional Definitions:

"**Accrual Days 1**" means a Fixing Day during the relevant Accrual Period where GBPmat fixes at or above the Forward Rate, and where GBPspot trades below the Knock Out Rate at all times from the Trade Time on the Trade Date to 02:15pm Frankfurt Time on that Euro Settlement Date.

"**Accrual Days 2**" means a Fixing Day during the relevant Accrual Period where GBPmat fixes below the Forward Rate, and where GBPspot trades below the Knock Out Rate at all times from the Trade Time on the Trade Date to 02:15pm Frankfurt Time on that Euro Settlement Date.

**"GBPspot"** means the spot exchange rate for USD/GBP as prevailing in the Spot Market as determined by the Calculation Agent in its sole and absolute discretion.

**"GBPmat"** means the exchange rate expressed as the amount of USD required to buy one GBP, rounded to 4 decimal places calculated using the cross rate of the USD/EUR and GBP/EUR exchange rates as displayed on Reuters Screen Page ECB37 at or about 02:15pm Frankfurt Time on that Euro Settlement Date in any Accrual Period, and if such rate is not available for whatever reason, the rate as determined by the Calculation Agent.

**"Knock-Out Date"** means the date on which the Knock-Out Event occurs, as determined by the Calculation Agent in its sole and absolute discretion.

**"Knock-Out Event"** means GBPspot trades at or above the Knock-Out Rate, as determined by the Calculation Agent in its sole and absolute discretion.

**"Observation Period"** means the period from and including the Accrual Period Start Date of Accrual Period 1 up to and including the Accrual Period End Date of Accrual Period 12.

**"Spot Market"** means the global spot foreign exchange market, which, for these purposes, shall, unless otherwise agreed, be treated as being open continuously from 5.00 a.m. Sydney time on a Monday in any week to 5.00 p.m. New York time on the Friday of that week.

**"Spot Exchange Rate"** means the price at the time at which such price is to be determined, in the Spot Market for Foreign Exchange Transaction involving the Currency Pair which is the subject of the Transaction determined by reference either to rates for the exchange of the Currencies in such Currency Pair or to Cross-Rates as the Calculation Agent shall determine.

#### **4. Relationship Between Parties:**

Each Party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(a) 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 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 that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(b) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(c) Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

#### **5. Disclosure:**

and/or its Affiliates may, in its discretion, decide to engage in hedging activities with respect to the FX Transaction. Such activities may include buying and selling, on a dynamic basis, the underlying currency in the spot market or entering into derivatives on such currency. The

hedging strategy may entail unwinding the hedge when a trigger event occurs under the FX Transaction. and/or its Affiliate may anticipate such event occurring and begin unwinding the hedge before such event occurs, or our hedging strategy may require greater and more frequent dynamic adjustments to the hedge as market prices approach the trigger. Unwinding or adjusting the hedge typically consists of buying or selling a quantity of the underlying currencies, or terminating or entering into derivatives positions with market counterparties. This activity may affect the likelihood of the trigger event occurring or not occurring. In addition, currency or currency derivative transactions that we execute in other capacities (such as trading for proprietary accounts, for accounts under management or to facilitate transactions on behalf of customers) may affect the probability that a trigger event will occur.

**6. Documentation:**

Please confirm that the foregoing correctly confirms the terms of our agreement by executing a copy of this confirmation and returning it to Derivative Operations.

Telephone number for confirmation Queries: Fax Number:

Regulatory Reference(s):

Yours faithfully,

Duly authorised for and on behalf of

Name:

Title:

Duly authorised for and on behalf of

By:

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Name:

Title:

Trade Ref: