

**PLEASE NOTE THAT THIS IS A DRAFT CONFIRMATION AND IS BEING PROVIDED FOR YOUR INFORMATION AND CONVENIENCE ONLY. A FINAL CONFIRMATION WILL BE FORWARDED TO YOU UPON COMPLETION OF THE TRANSACTION. THIS DRAFT DOES NOT REPRESENT A COMMITMENT ON THE PART OF EITHER PARTY TO ENTER INTO ANY TRANSACTION**

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[CP name]  
Address1  
Address2  
Address3  
Address4

Date: [dd mm yyyy]

Dear Sirs,

**Re: Daily Accumulator Knock-Out Forward (Physical Settlement)**

**Instrument Reference:** [                    ]  
**(Transaction Reference Number:** [                    ]  
**Unique Identifier:** [If Applicable]

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between [Client Legal Name] ("**Party A**") and [SCB Entity] ("**Party B**") on the Trade Date specified below (the "Transaction").

The definitions and provisions contained in the 2006 ISDA Definitions (the "**2006 Definitions**") and the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**") (each as published by the International Swaps and Derivatives Association, Inc.) (together, the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed to be references to a "Swap Transaction" for the purposes of the 2006 Definitions.

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 **DD MM YYYY**, as amended and supplemented from time to time (the "**Agreement**"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below:

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The terms of the particular Transaction to which this confirmation relates are as follows:

Trade Date: [ ]

Effective Date: [ ]

Termination Date: The Settlement Date of the earlier to occur of (1) the Final Valuation Date and (2) the Knock-Out Date.

Final Valuation Date: [ ], provided that a Knock-Out Event has not occurred.

Shares: The ordinary shares of [ ]  
(Bloomberg Code: [ ])

[Fund:] <sup>1</sup>[Units of the Fund. Any references herein or in the Equity Definitions to Shares shall be deemed to refer only to the units in the Fund as described herein and not to the units in any other fund established by the Issuer.]

Number of Shares: [ ] Shares per day

Reference Spot: [ ]

Forward Price: [ ] ([ ]% of Reference Spot)

Total Number of Scheduled Trading Days: [ ]

**Prepayment by Party A:**

Prepayment Amount: [ ]

Prepayment Date: [ ]

**Knock-Out Event:** Applicable

Knock-Out Event: A Knock-Out Event is deemed to have occurred if on any Schedule Trading Day from and including the Trade Date to and including the Final Valuation Date, the closing price per Share is equal to, or greater than, the Knock-Out Price.

If a Knock-Out Event occurs, this Transaction shall terminate on the Knock-Out Date and on the Knock-Out Settlement Date, (i) Party B shall pay to Party A the Settlement Amount; and (ii) Party A shall deliver to Party B the Number of Shares to be Delivered, each as determined in accordance with the Settlement Terms.

Knock-Out Date: The first date on which a Knock-Out Event occurs.

Knock-Out Price: [ ] ([ ]% of Reference Spot)

Knock-Out Event Settlement Date: [ ] Clearance System Business Day following the Knock-Out Date.

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<sup>1</sup>Delete if not applicable, insert for ETFs

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[SETTLE\_FREQ] Observation Period:

Observation Period	Period Start Date	Period End Date	Settlement Date	Number of Scheduled Trading Days

For the avoidance of doubt, the number of Scheduled Trading Days in each [SETTLE\_FREQ] Observation Period shall not be adjusted.

Closing Price:

In respect of a Scheduled Trading Day, the official closing price of the Share on that day as published by the Exchange subject to Section 6.6 of the Equity Definitions which shall apply mutatis mutandis to this Transaction, provided that if the Exchange fails to publish the closing price on any such day and such day is not a Disrupted Day, the Closing Price shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

For the avoidance of doubt, a Closing Price determined in respect of a given Scheduled Trading Day may apply to one or more Scheduled Trading Days.

**Settlement Terms:**

Physical Settlement: Applicable.

Settlement Currency: [       ]

Settlement Amount: On the relevant Settlement Date, Party B shall pay to Party A the Settlement Amount determined by the Calculation Agent in accordance with the following formula:

$$(Number\ of\ Shares * S1 * Forward\ Price) [+ (Number\ of\ Shares * S2 * Forward\ Price)]^2$$

Number of Shares to be Delivered: On the relevant Settlement Date, Party A shall deliver to Party B a number of Shares determined by the Calculation Agent in accordance with the following formula:

$$(Number\ of\ Shares * S1) [+ (Number\ of\ Shares * S2)]^3$$

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<sup>2</sup> Insert if S2 is applicable  
<sup>3</sup> Insert if S2 is applicable

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Settlement Date: In respect of each [SETTLE\_FREQ] Observation Period, [ ] Clearance System Business Day following the Period End Date of such [SETTLE\_FREQ] Observation Period; provided that if a Knock-Out Event occurs, the Knock-out Settlement Date shall be the Settlement Date.

S1: With respect of each [SETTLE\_FREQ] Observation Period, the number of Scheduled Trading Days in the relevant [SETTLE\_FREQ] Observation Period, except that if a Knock-Out Event occurs during such [SETTLE\_FREQ] Observation Period [(other than the Guaranteed Accumulation Period)]<sup>4</sup>, then S1 for such [SETTLE\_FREQ] Observation Period will be calculated as the number of Scheduled Trading Days from and including the Period Start Date of such [SETTLE\_FREQ] Observation Period to but excluding the Knock-Out Date.

[If a Knock-Out Event occurs on the Trade Date or during the relevant Guaranteed Accumulation Period, then S1 for such [SETTLE\_FREQ] Observation Period will be the number of Scheduled Trading Days in the relevant Guaranteed Accumulation Period.]<sup>5</sup>

[S2: With respect of each [SETTLE\_FREQ] Observation Period, the number of Scheduled Trading Days in the relevant [SETTLE\_FREQ] Observation Period where the Closing Price per Share on the Exchange is below the Forward Price, except that if a Knock-Out Event occurs during such [SETTLE\_FREQ] Observation Period, then S2 will be calculated as the number of Scheduled Trading Days from and including the Period Start Date of such [SETTLE\_FREQ] Observation Period to but excluding the Knock-out Date where the Closing Price per Share on the Exchange is below the Forward Price.]<sup>6</sup>

**Guaranteed Accumulation:** <sup>7</sup>[Not] Applicable

Guaranteed Accumulation Period: [Not Applicable ]

Period	Period Start Date	Period End Date	Settlement Date	Number of Scheduled Trading Days

**General Terms:**

Exchange: [EXCHANGE]

Related Exchange: All Exchanges

<sup>4</sup> Insert if Guaranteed period is applicable

<sup>5</sup> Insert if Guaranteed period is applicable

<sup>6</sup> Insert for Leveraged Accumulator

<sup>7</sup> Delete if not applicable

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Currency Business Days: [BIZ\_CENTRE]

Clearance System: [CLEARING\_HOUSE]

**Share Adjustments:**

Method of Adjustment: [ ]<sup>8</sup>

**Extraordinary Events:**

Consequences of Merger Events:

(a) Share-for-Share [ ]<sup>9</sup>

(b) Share-for-Other [ ]<sup>10</sup>

(c) Share-for-Combined [ ]<sup>11</sup>

Determining Party: Party A

Tender Offer: [ ]

Consequences of Tender Offers:

(a) Share-for-Share: [ ]<sup>12</sup>

(b) Share-for-Other: [ ]<sup>13</sup>

(c) Share-for-Combined: [ ]<sup>14</sup>

Determining Party: Party A

Composition of Combined Consideration: Not Applicable

Nationalization, Insolvency or Delisting: [ ]<sup>15</sup>

Determining Party: Party A

**Additional Disruption Events:**

Change in Law: Applicable; provided that Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety as follows:-

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<sup>8</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>9</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>10</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>11</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>12</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>13</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>14</sup> Insert as per Termsheet (default is Calculation Agent Adjustment)

<sup>15</sup> Insert as per Termsheet (default is Cancellation and Payment (Calculation Agent Determination))

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“**Change in Law**” means that, on or after the Trade Date of this Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that it will, or there is a substantial likelihood that it will, within the next 30 calendar days, but before the last Settlement Date of this Transaction become, or it has become illegal for a party (or an affiliate of that party) to this Transaction to hold, acquire or dispose of Hedge Positions relating to this Transaction.

Failure to Deliver: Applicable

Insolvency Filing: [Not] Applicable

Hedging Disruption: Applicable. Section 12.9(a)(v) of the Equity Definitions is replaced in its entirety as follows:

“**Hedging Disruption**” means that a Hedging Party is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to this Transaction, or (ii) freely realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions (the “**Affected Jurisdiction**”) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction. For the purposes of Section 12.9(b)(iii) of the Equity Definitions, the reference to “the Hedging Party” shall be deemed to be a reference to the Hedging Party affected by the Hedging Disruption (the “**Affected Hedging Party**”) (or if both parties are Affected Hedging Parties, to an Affected Hedging Party) and the reference to the “**Non-Hedging Party**” shall be deemed to be a reference to the other party (even if such party is also an Affected Hedging Party).

[Extraordinary Fund Events:] In respect of any fund or any share, if any of the following events occurs and has a material effect on this Transaction, as determined by the Calculation Agent in a commercially reasonable manner (the date of occurrence of any such event, the “Event Date”), Calculation Agent Adjustment as defined in Section 12.2(d) of the Equity Definitions shall apply for which purpose references to “Merger Date” and “Merger Event” shall be deemed to be references to the Event Date and Extraordinary Fund Event respectively:

- (a) the Shares are reclassified or the Fund is acquired by, or aggregated into, another fund, whose mandate, risk-profile and/or benchmarks are determined, in the sole and absolute discretion of the Calculation Agent, to be different from the mandate, risk-profile and/or benchmark of the Fund as stated as of the Trade Date or the Fund is wound-up, dissolved or liquidated;

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- (b) there is a material change in the Fund, the constitutional documents, the mandate, risk profile or investment guidelines or objectives of the Fund as stated as of the Trade Date (as determined by the Calculation Agent in its sole and absolute discretion);
- (c) any breach or violation of any strategy, objectives or investment guidelines stated in the constitutional document of the Fund that is reasonably likely to affect the value of the Shares, or the rights or remedies of the holders of the Shares (in each case, as determined by the Calculation Agent);
- (d) there is a material breach (as determined by the Calculation Agent in its sole and absolute discretion) of the investment, borrowing or stock lending restrictions of the Fund;
- (e) the investment manager of the Fund, in accordance with the provisions of the constitutional documents, require Party A to transfer such Shares held by it or its affiliates;
- (f) where the Fund is required by its constitutional documents to calculate a net asset value on a calculation day and/or permit subscriptions and redemptions of the Shares on a dealing day, the Fund fails to do so on any such day otherwise than in accordance with the constitutional documents;
- (g) any change in the regulatory or treatment applicable to the Fund or the Shares, as applicable, which could, in the determination of the Calculation Agent, have a negative effect on a holder of the Shares;
- (h) the activities of the Fund, the investment manager of the Fund or any service provider of the Fund is placed under review by its regulators for reasons of wrongdoing, breach of any rule or regulations or other similar reason or any disciplinary action is taken in respect of such person and/or investment manager by its regulators;
- (i) the cancellation, suspension or revocation of the registration or approval of the Fund or the Shares by any governmental, legal or regulatory entity with authority over the Fund or Shares;
- (j) the reported net asset value of the Fund decreases by 50% or more for any consecutive 3 month period;
- (k) there is a material effect in the Fund, in the sole and absolute discretion of the Calculation Agent, in relation to:
  - (i) the resignation, termination, death or replacement of the investment manager; or
  - (ii) the resignation, termination, death or replacement of any other key person of the Fund;
- (l) an illegality occurs or the relevant authorisation or license is

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revoked in respect of the Fund and/or investment manager.

Increased Cost of Hedging: [Not] Applicable

Hedging Party: Party A

Determining Party: Party A

Calculation Agent Party A

[Disclaimer:] This Transaction is not in any way sponsored, endorsed or promoted by the fund, the manager of the fund or the owner of the mark "<<:UNDERLYING\_NAME:>>", and the fund, the manager of the fund or the owner of the mark "<<:UNDERLYING\_NAME:>>", bears no liability with respect to any of this Transaction. None of the fund or the manager of the fund is connected or affiliated with the SCB in any respect.

Additional Representations, Agreements and Acknowledgments:

Non-Reliance: Applicable

Agreements and Acknowledgments Regarding Hedging Activities: Applicable

Additional Acknowledgments: Applicable

16[Additional Representations for US Underlyings:] By entering into the Transaction, the Counterparty represents and warrants to SCB that it, (i) is not an affiliate or controlling shareholder of the Issuer of the Shares and (ii) has not involved the Issuer or its affiliate in any offer or sale of the Shares.

Calculation Agent: Party A

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<sup>16</sup> Delete if not applicable



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**Account Details**

Account for payments to Party A : To be advised

Account for payments to Party B : In accordance with standard settlement instructions currently held by Party A or as otherwise notified by Party B.

**Offices**

The Office of Party A for the Transaction is : London

The Office of Party B for the Transaction is : XXXX

**Governing law:** [ ]<sup>17</sup>

**Representations:** Each party represents to the other party as of the date that it enters into this Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for this Transaction):

- (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether the Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has 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 this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered to be investment advice or a recommendation to enter into the 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 this Transaction.
- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of the Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or adviser to it in respect of this Transaction.

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<sup>17</sup> Insert as per Termsheet (default is English Law)

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This Confirmation supersedes and replaces any other deal acknowledgment or confirmation (including any electronic or phone confirmation), if any, sent in connection with this Transaction on or prior to the date hereof, and any amendments, replacements or supplements to any electronic confirmation sent in connection with this Transaction after the date hereof.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms.

Yours faithfully  
For and on behalf of  
**STANDARD CHARTERED BANK**

By : \_\_\_\_\_  
Name :  
Title :

Confirmed as of the date first above written,  
For and on behalf of  
**XXXXXX**

By : \_\_\_\_\_  
Name :  
Title :