

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



STANDARD CHARTERED BANK
FINANCIAL MARKETS OPERATIONS
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[CP name]
Address1
Address2
Address3
Address4

Date: [dd mm yyyy]

Dear Sirs,

**Re: Self Compounding Overnight Interest Rate Swap, Transaction Reference No: []/[]
Unique Identifier:[] []**

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between STANDARD CHARTERED BANK ("**Party A**") and [CP name] ("**Party B**") on the Trade Date specified below (the "**Transaction**").

The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "**2006 Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the 2006 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:

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

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Party A : STANDARD CHARTERED BANK ("SCB")

Party B : [CP name] ("Counterparty")

Trade Date Present Value : BRL XXXX
Notional Amount

Termination Date Future Value : BRL XXXX
Notional Amount

Trade Date : [dd mm yyyy]

Effective Date : [dd mm yyyy]

Termination Date : [dd mm yyyy]

Brazil Business Days : Any of Rio de Janeiro, Brasilia or São Paulo and New York City

Fixed Amounts:

Fixed Rate Payer : Party A / B

Fixed Rate Payer Payment Dates : One Business Day following each Fixed Rate Rate Payer Period End Date

Fixed Rate Payer End Dates : XXX

Fixed Rate : XXXX

Fixed Amount : XXXX

Fixed Rate Day Count Fraction : XXXX

Floating Amounts:

Floating Rate Payer : Party A / B

Floating Rate Payer Payment Dates : One Business Day following each Fixed Rate Rate Payer Period End Date

Floating Rate Payer End Dates : XXXX

Floating Rate Option : XXXX

Spread : XXXX

Floating Rate : CDI, as determined on each Reset

Date Where:

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“**CDI**” means, with respect to each Reset Date, the Brazil Interbank Deposit Rate Annualized, known as the average (“**Media**”) of the DI-OVER-Extra-Grupo as published by the Central de Custodia e Liquidacao Financeira de Titulos (“**CETIP**”), for such Reset Date (the “**Overnight CDI Rate**”), provided however that:

- (1) the publication of such rate must occur not later than 12.00 pm on the first Brazil Business Day following such Reset Date; and
- (2) any adjustments made by CETIP to such rate, if made any time later than the end of the business day on such Reset Date, shall not be taken into account by the parties.

If there is no Overnight CDI rate published for a Reset Date, CDI for such Reset Date shall be determined by the Calculation Agent using the CDI Fallback Provisions below.

“**CDI Fallback Provisions**” means (1) the CDI for such Reset Date shall be the overnight deposit rate identified by the Bolsa de Mercadorias & Futuros (the “**BM&F Rate**”); (2) if for any reason there is no BM&F Rate published for such Reset Date, the CDI for such Reset Date shall be jointly determined by the parties; (3) if the parties are unable to agree on a determination within one Brazil Business Day, CDI shall be determined through a “**CDI Industry Survey**” conducted by the Calculation Agent twice daily for 2 consecutive Brazil Business Days; and (4) if fewer than 4 quotations are provided in the CDI Industry Survey, the Calculation Agent shall determine the CDI for such Reset Date.

“**CDI Industry Survey**” means that on the scheduled Reset Date following the Reset Date for which the CDI Industry Survey is being determined, the Calculation Agent will request each of the Reference Dealers to provide a quotation for the CDI. If at least four quotations are provided, the CDI will be the arithmetic mean of the quotations without regard to the specified quotations having the lowest or highest values.

“**Reference Dealers**” mean six to eight leading dealers in the CDI market determined by the Calculation Agent.

Floating Amounts

: Notwithstanding the provisions of Article 6 of the Definitions, the Floating Amount payable shall be calculated on the basis of the following formula:

Trade Date Present Value Notional Amount * CDI Product
Where:

$$\text{CDI Product} = \prod_{j=1}^N \left[\left(1 + \left(\text{CDI}_j / 100 \right) \right)^{1/252} \right]$$

N = the number of Reset Dates in the Calculation Period; and CDI_j =

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the Floating Rate determined on the jth Reset Date after the Effective Date. For the avoidance of doubt, CDI, shall be the Floating Rate determined on the Effective Date.

Reset Dates : Each Brazil Business Day from and including the Effective Date to but excluding the Termination Date.a

Compounding : XXXX

Calculation Agent : Party A / B

Settlement Provisions:

Settlement : Non-Deliverable

Settlement Rate Option: : BRL PTAX (BRL 09)

Reference Currency : BRL

Settlement Currency : USD

Valuation Date : [DATE CERTAIN] ("Scheduled Valuation Date"), subject to adjustment in accordance with the Preceding Business Day Convention; provided however that, in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention. Notwithstanding the foregoing, if the parties have specified a Scheduled Valuation Date that falls on a date that, as at the Trade Date, is not a scheduled Business Day in New York , no adjustment shall be made on account of the fact that such date is not a Business Day in New York.

Disruption Events and Disruption Fallbacks applicable to Settlement under this Transaction:

Event Currency : Reference Currency

Price Source Disruption : Applicable

Price Materiality : Applicable

Primary Rate : BRL PTAX (BRL 09)

Secondary Rate : EMTA BRL Industry Survey Rate

Price Materiality Percentage : (XXX%), provided however, that if there are insufficient responses on the Valuation Date to the EMTA BRL Industry Survey or the EMTA BRL Indicative Survey, as the case may be, the Price Materiality Percentage will also be deemed to have been met.

Applicable Disruption Fallbacks:

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1. Valuation Postponement :

2. Calculation Agent Determination of Settlement Rate :

Other Terms:

Unscheduled Holiday : "Unscheduled Holiday" means that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Center(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.

Deferral Period for Unscheduled Holiday: "Unscheduled Holiday" means that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Center(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.

Valuation Postponement for Price Source Disruption: "Valuation Postponement" means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

Cumulative Events: : Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 30 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 30 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period, then such day shall be deemed to be a Valuation Date, and (y) if, upon the lapse of any such 30 day period, a Price Source Disruption shall have occurred or be continuing on the day following such period, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement : Thirty (30) calendar days

Relevant Cities for Business Day(s) for Valuation Date : Any of Rio de Janeiro, Brasilia or São Paulo and New York City

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Relevant City for Business Day for Settlement Date: New York City

Calculation Agent: Party A / B

Acknowledgement: The parties acknowledge that one or both parties to the Transaction, acting directly or through a branch or affiliate, may, from time to time, provide notice to EMTA of the observation of Exchange Rate Divergence (as defined herein) pursuant to the EMTA BRL Exchange Rate Divergence Procedures in effect from time to time, and such notice may affect, materially or otherwise, the settlement of the Transaction.

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

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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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
XXXXX

By : _____
Name :
Title :