

To:  
Attn:  
Email:

Date:  
Ref :

## AMERICAN ACCRUAL OPTION

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The purpose of this letter agreement (a "Confirmation") is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") between ("Bank" or Party A) and ("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 2006 Definitions and the 1998 FX and Currency Option Definitions (the "FX Definitions") (as published by the International Swaps and 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 the FX Definitions and the 2006 Definitions, the FX Definitions will prevail. In the event of any inconsistency between the FX Definitions or the 2006 Definitions and this Confirmation, this Confirmation will prevail.

This Confirmation supplements, forms a part of, and is subject to the ISDA Master Agreement between and dated as of, as amended and supplemented from time to time by the parties in accordance with its terms (the Agreement). All provisions contained in or incorporated by reference in, the Agreement govern the Confirmation, except as expressly modified below.

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

Trade Date:	24 June 2014
Trade Time:	Available Upon Request
Buyer:	Party B
Seller:	Party A
Rebate Amount:	HKD 100,000.00
Strike Rate:	10.7000 HKD/EUR
Barrier Rate 1 :	10.7500 HKD/EUR
Barrier Rate 2:	10.7700 HKD/EUR
Settlement Type:	Deliverable

Accrual Period Start Date: 25 June 2014  
Accrual Period End Date: 30 September 2014  
Accrual Period: From and including the Accrual Period Start Date up to and including the Accrual Period End Date.

Fixing Dates: Every Euro Settlement Date during the Accrual Period

Expiration Date: 30 September 2014  
Settlement Date: 06 October 2014  
Expiration Time: 10:00am New York time

Automatic Exercise: Applicable

Your Designated Office: Paris  
Our Designated Office: London

Calculation Agent: Party A  
(All determinations made by the Calculation Agent shall be made in good faith and in a commercially reasonable manner)

Premium Payer: Not Applicable  
Premium Amount: Not Applicable  
Premium Value Date: Not Applicable  
Premium Payment Instructions: Not Applicable

Party A Account Details: As per Standard Settlement Instructions

Party B Account Details: As per Standard Settlement Instructions

## **2. Settlement terms:**

On the Expiration Date at the Expiration Time, the Seller shall pay to the Buyer an amount in HKD calculated as follows:

If on the Expiration Date at the Expiration Time EURSpot fixes at or above the Strike Rate then, the Seller shall pay to the Buyer an amount in EUR on the Settlement Date calculated as follows:

Seller Pays:  $\text{Rebate Amount} \times \text{Number of Accrual Days} / \text{Total Number of Fixing Dates}$

### 3. Additional definitions for the transaction to which this Confirmation relates are as follows:

"**Accrual Days**" means a Euro Settlement Date during the Accrual Period where EURmat fixes above the Barrier Rate 1 and EURspot trades below the Barrier Rate 2 at all times from the Trade Time on the Trade Date to 2:15pm Central European time on that Euro Settlement Date.

"**EURmat**" means the exchange rate expressed as the number of HKD per one EUR, as displayed on Reuters Page ECB37 at or about 14:15 Frankfurt Time on each Fixing Date in Accrual Period and if such rate is not available for whatever reason, the rate as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

"**EURspot**" means the spot exchange rate for EUR/HKD as prevailing in the Spot Market as determined by the Calculation Agent from time to time.

"**Settlement Date**" means the relevant date specified in the schedule above or if that is not a day (other than a Saturday or Sunday) on which commercial banks are open for business in Euro Settlement Date and Hong Kong (a Euro Settlement Date and Hong Kong Business Day), the next following day which is a Euro Settlement Date and Hong Kong Business Day.

"**Spot Exchange Rate**" means, the price at the time at which such price is to be determined, in the Spot Market for Foreign Exchange transactions 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.

"**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.

"**Total Number of Euro Settlement Date in the Accrual Period**" is 70.

For avoidance of doubt, this number is subject to change in the case of an unscheduled Euro Settlement Date holiday occurring during the Accrual Period.

### 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 forgoing 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 of facsimile substantially similar to this letter, which letter or facsimile sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms.

Telephone number for confirmation Queries: Fax Number:

Regulatory Reference(s):

This represents the unique reference for the Transaction where has an obligation under the applicable laws, rules and regulations (collectively, the "Law") to report the Transaction in accordance with the Law, and such unique reference shall be the only reference for the Transaction for such reporting purposes. Each party agrees that it is responsible for making its own determination as to which party has an obligation under the Law to report the Transaction in accordance therewith.

Yours faithfully,

Duly authorised for and on behalf of

Name:

Title:

Duly authorised for and on behalf of:

By: .....

Name:

Title:

Trade Ref: