**TERM SHEET FOR A CREDIT DEFAULT SWAP TRADED BY BANK PLC**

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| **Draft Terms – Credit Default Swap** | | |
| **1. General Terms** | | |
| Trade Date | Aug 5, 20XX | |
| Effective Date | Aug 6, 20XX | |
| Scheduled Termination  Date | Jul 30, 20XX | |
| Floating Rate Payer (’Seller’) | XYZ Bank plc, London branch | |
| Fixed Rate Payer (’Buyer’) | ABC Investment Bank plc | |
| Calculation Agent | Seller | |
| Calculation Agent City | New York | |
| Business Day | New York | |
| Business Day Convention | Following | |
| Reference Entity | Jackfruit Records Corporation | |
| Reference Obligation | Primary Obligor: Jackfruit Records | |
| Maturity | Jun 30, 20XX | |
| Coupon | 0% | |
| CUSIP/ISIN | xxxxx | |
| Original Issue Amount | USD 100,000,000 | |
| Reference Price | 100% | |
| All Guarantees | Not Applicable | |
| **2. Fixed Payments** | | |
| Fixed Rate Payer | USD 7,000,000 | |
| Calculation Amount |
| Fixed Rate | 0.3% per annum | |
| Fixed Rate Payer Payment | Oct 30, Jan 30, Apr 30, Jul 30, starting Oct 30, | |
| Date(s) |
| Fixed Rate Day Count | 2003 | |
| Fraction | Actual/360 | |
| **3. Floating Payments** | | |
| Floating Rate Payer | USD 7,000,000 | |
| Calculation Amount |
| Conditions to Payment  orSeller) | Credit Event Notice (Notifying Parties: Buyer  Notice of Publicly Available Information:  Applicable(Public Source: Standard Public  Sources. Specified  Number: Two) | |
| Credit Events | Bankruptcy  Failure to Pay (Grace Period Extension: Not  Applicable. Payment Requirement: | |
| Obligation(s) | $1,000,000)  Borrowed Money | |
| **4. Settlement Terms** | | |
| Settlement Method | Physical Settlement | |
| Settlement Currency | The currency in which the Floating Rate  Payer Calculation Amount is denominated | |
| Terms Relating to Physical  Settlement  Physical Settlement Period | The longest of the number of business days  for settlement in accordance with the then-  current market practice of any Deliverable  Obligation being Delivered in the Portfolio, as  determined by the Calculation Agent, after  consultation with the parties, but in no event  shall be more than 30 days | |
| Portfolio | Exclude Accrued Interest | |
| Deliverable Obligations | Bond or Loan | |
| Deliverable Obligation | Not Subordinated | |
| Characteristics | Specified Currency – Standard Specified  Currencies Maximum Maturity: 30 years Not Contingent Not Bearer Transferable Assignable Loan | |
| Restructuring Maturity | Consent Required Loan | |
|  | Not Applicable | |
| Limitation  Partial Cash Settlement of Loans | Not Applicable | |
| Partial Cash Settlement of | Not Applicable | |
| Assignable Loans  Escrow | Applicable | |
| **5. Documentation** | | |
| Confirmation to be prepared by the Seller and agreed to by the Buyer. The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc., as supplemented by the May 2003 Supplement, to the 2003 ISDA Credit Derivatives Definitions (together, the ‘Credit Derivatives Definitions’), are incorporated into the Confirmation | | |
| **6. Notice and Account Details** | | |
| Telephone, Telex and/or  Facsimile Numbers and  Contact Details for Notices  Account Details of Seller | | Buyer:  Phone:  Fax:  Seller: A.N. Other  Phone: +1 212-xxx-xxxx  Fax: +1 212-xxx-xxxx  84-7512562-85 |

**Risks and Characteristics**

Credit Risk. An investor’s ability to collect any premium will depend on the ability of XYZ Bank plc to pay.

Non-Marketability. Swaps are not registered instruments and they do not trade on any exchange. It may be impossible for the transactor in a swap to transfer the obligations under the swap to another holder. Swaps are customised instruments and there is no central source to obtain prices from other dealers.