**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 TerminationDate |  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 PaymentorSeller) | Credit Event Notice (Notifying Parties: BuyerNotice of Publicly Available Information:Applicable(Public Source: Standard PublicSources. SpecifiedNumber: Two) |
| Credit Events | BankruptcyFailure to Pay (Grace Period Extension: NotApplicable. Payment Requirement: |
| Obligation(s) | $1,000,000)Borrowed Money |
| **4. Settlement Terms** |
| Settlement Method | Physical Settlement |
| Settlement Currency | The currency in which the Floating RatePayer Calculation Amount is denominated |
| Terms Relating to PhysicalSettlementPhysical Settlement Period | The longest of the number of business daysfor settlement in accordance with the then-current market practice of any DeliverableObligation being Delivered in the Portfolio, asdetermined by the Calculation Agent, afterconsultation with the parties, but in no eventshall be more than 30 days |
| Portfolio | Exclude Accrued Interest |
| Deliverable Obligations | Bond or Loan |
| Deliverable Obligation | Not Subordinated |
| Characteristics | Specified Currency – Standard SpecifiedCurrencies Maximum Maturity: 30 years Not Contingent Not Bearer Transferable Assignable Loan |
| Restructuring Maturity | Consent Required Loan |
|  | Not Applicable |
| LimitationPartial Cash Settlement of Loans | Not Applicable |
| Partial Cash Settlement of | Not Applicable |
| Assignable LoansEscrow | 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/orFacsimile Numbers andContact Details for NoticesAccount Details of Seller | Buyer:Phone:Fax:Seller: A.N. OtherPhone: +1 212-xxx-xxxxFax: +1 212-xxx-xxxx84-7512562-85 |

**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.