

Relevant provisions of a cliquet (or ratchet) index call option

The below is set out by way of illustration only and does not contain all the necessary provisions or information of the described transaction and shall not be used or relied on as such. In addition, the elections therein are not appropriate for specific transactions. Derivativeslawyer.com do not accept any responsibility whatsoever for the use of or reliance on the below.

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

General Terms

Notional Amount:	[]
Trade Date:	[]
Effective Date:	[]
Option Style:	[]
Option Type:	[Call]
Premium:	[]
Premium Payment Date:	[]
Seller:	[]
Buyer:	[]
Index:	[]
Exchange:	[]
Related Exchange:	[]

Procedure for Exercise

Expiration Time:	Valuation Time
Expiration Date:	Final Valuation Date
Automatic Exercise:	Applicable

Valuation

Relevant Price:	The official closing price on the Exchange at the Valuation Time on any Valuation Date
Valuation Time:	[]
Valuation Date:	The Effective Date, each [] and [] (the " Final Valuation Date ").

Settlement Terms

Cash Settlement:	Applicable
Settlement Currency:	[]
Currency Business Day:	[]
Option Cash Settlement Amount:	An amount in [], to be determined by the Calculation Agent on the Final Valuation Date, calculated as the product of (i) the Notional Amount

and (ii) the Rate of Return, with the resulting amount.

“Rate of Return”

means, the greatest of:

- a) 0%
- b) the Maximum Lock-In Level, and;
- c) the sum of the Index Returns, which shall be calculated on the Final Valuation Date.

“Maximum Lock-In Level”

means,

- (a) []% if at the end of any Calculation Period the sum of the Index Returns calculated up until the end of such Calculation Period is less than []%, or;
- (b) []% if at the end of any Calculation Period the sum of the Index Returns calculated up until the end of such Calculation Period is equal to or greater than []% but less than []%; or
- (c) []%, if at the end of any Calculation Period the sum of the Index Returns calculated up until the end of such Calculation Period is equal to or greater than []%.

“Index Return”

means, at the end of each Calculation Period, an amount calculated in accordance with the following formula:

$$\text{Min} \left\{ \text{CAP}, \frac{\text{Index}_i - \text{Index}_{i-1}}{\text{Index}_{i-1}} \right\}$$

where:

“i” is each number between 1 and [] (inclusive) relating to each Valuation Date, commencing on the Effective Date.

“Index_i” means, the Relevant Price in relation to

Valuation Date i where, for example, $Index_1$ is the Relevant Price on the second Valuation Date and $Index_{i-1}$ is the Relevant Price on the Final Valuation Date.

“**Index_{i-1}**” means, the Relevant Price in relation to Valuation Date $i-1$, where, for example, $Index_0$ is the Relevant Price on the Effective Date.

“**CAP**” is []

Index Adjustment Events:

- (a) Index Cancellation: []
- (b) Index Modification: []
- (c) Index Disruption: []

Additional Disruption Events

- [] [Applicable]
- Non-Reliance: Applicable
- Agreements and Acknowledgements Regarding Hedging Activities: Applicable
- Index Disclaimer: Applicable
- Additional Acknowledgements : Applicable