

**Over-the-counter Option linked to the S&P500 Index**

<b>Option Type</b>	European put option, with contingent premium feature
<b>Option Seller</b>	XXXX
<b>Option Buyer</b>	[dealing name to be advised]
<b>Notional Amount</b>	USD 20MM
<b>Trade Date</b>	[]
<b>Expiration Date</b>	[]
<b>Underlying Index</b>	S&P500
<b>Settlement</b>	Cash settlement
<b>Cash Settlement Date</b>	5 business days after the Expiration Date
<b>Cash Settlement Amount</b>	Calculated as per the following formula: $\# \text{Contracts} * \max[0, \text{S\&Pstrike} - \text{S\&Pfinal}]$ where $\# \text{Contracts} = \text{Notional Amount} / \text{S\&Pinitial}$  This is the same as a conventional put option: <b>S&amp;Pstrike</b> will be equal to <b>95% of the closing price on the Trade Date</b> <b>S&amp;Pfinal</b> will be the level of the Underlying Index at the valuation time on the Expiration Date <b>S&amp;Pinitial</b> is the level of the Underlying Index at the time of execution
<b>Initial Premium Amount</b>	[2%] of Notional Amount
<b>Initial Premium Payment Date</b>	5 business days after Trade Date
<b>Additional Premium Amounts</b>	[1.43%] of Notional Amount per Trigger Level
<b>Additional Premium Payment Dates</b>	The Additional Premium Amounts shall be due only if the Underlying Index at any time from and including the Trade Date and to and including the Expiration Date is equal to or greater than any of the Trigger Levels.
<b>Trigger Levels</b>	103%, 106% and 109% of <b>S&amp;P500initial</b>
<b>Documentation</b>	ISDA
<b>Governing law</b>	New York

This indicative termsheet is neither an offer to buy or sell securities or an OTC derivative product which includes options, swaps, forwards and structured notes having similar features to OTC derivative transactions, nor a solicitation to buy or sell securities or an OTC derivative product. The proposal contained in the foregoing is not a complete description of the terms of a particular transaction and is subject to change without limitation.

