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

Option Type	European put option, with contingent premium feature
Option Seller	XXXX
Option Buyer	[dealing name to be advised]
Notional Amount	USD 20MM
Trade Date	[]
Expiration Date	[]
Underlying Index	S&P500
Settlement	Cash settlement
Cash Settlement Date	5 business days after the Expiration Date
Cash Settlement Amount	Calculated as per the following formula:

$$\#Contracts * \max[0, S\&P_{strike} – S\&P_{final}]$$

where #Contracts = Notional Amount / S&P$_{initial}$

This is the same as a conventional put option:
S&P$_{strike}$ will be equal **to 95% of the closing price on the Trade Date**
S&P$_{final}$ will be the level of the Underlying Index at the valuation time on the Expiration Date
S&P$_{initial}$ is the level of the Underlying Index at the time of execution

Initial Premium Amount	[2%] of Notional Amount
Initial Premium Payment Date	5 business days after Trade Date
Additional Premium Amounts	[1.43%] of Notional Amount per Trigger Level
Additional Premium Payment Dates	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.
Trigger Levels	103%, 106% and 109% of **S&P500$_{initial}$**
Documentation	ISDA
Governing law	New York