**[http://www.socgen.com/sg/ressource/img/socgen/commun/logo_sg_en.gif](http://www.socgen.com/sg/socgen/pid/169/context/SC/lang/en/nodoctype/0.htm##)**

**INDEX SWAP TRANSACTION**

|  |  |  |
| --- | --- | --- |
| To | : |  |
| Attention | : |  |
| Address | : |  |
| Fax | : |  |
|  |  |  |
| From | : | SOCIETE GENERALE |
|  |  |  |
| Department | : | OPER/OTC/DOC  Documentation Department |
| Address | : | 189, RUE D'AUBERVILLIERS 75886 PARIS CEDEX 18 |
| Tel | : | +33158982066 |
| Fax | : | +33146924670 |
|  |  |  |
| Date | : |  |
|  |  |  |
| Transaction Ref | : |  |
| Confirmation Ref | : |  |

Dear Madam, Sir,

The purpose of this document (this “**Confirmation**”) is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the “**Transaction**”). This confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

**Incorporation of the ISDA Definitions**

The definitions and provisions contained in (i) the 2006 ISDA Definitions (the “**2006 Definitions**”); (ii) in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**” and together with the 2006 Definitions the “**Definitions**”), in each case as published by the International Swaps and Derivatives Association, Inc., and (iii) the most recent version of the ISDA Benchmarks Supplement on the calendar day immediately preceding the date hereof, as published by ISDA (the **“ISDA Benchmarks Supplement”**) are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between (i) the Definitions and/or the ISDA Benchmarks Supplement; and (ii) this Confirmation, this Confirmation will govern.

In the event of any inconsistency between the Definitions and the Index Rules (as defined below), the Index Rules will prevail. In the event of any inconsistency between the Index Rules and this Confirmation, this Confirmation will prevail. Any terms in capital letters used herein and not defined in the Definitions, the Agreement or in the main text of this Confirmation shall have the meaning given to them in the Index Rules described below

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of , as amended and supplemented from time to time (the “**Agreement**”), between SOCIETE GENERALE (“**Party A**” or “**SG**”) and HANA SECURITIES CO., LTD. (“**Party B**” or “**Client**”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

For the purposes of this Transaction the following amendments shall be made with respect to the Equity Definitions:

Article 1 of the Equity Definitions shall be amended by replacing section 1.4 thereof with the following section:

“**1.4 Equity Swap Transaction.** “Equity Swap Transaction” means a transaction that is (a) an OTC swap transaction relating to a single index (an “Index Swap Transaction”), (b) an OTC swap transaction relating to a single share or other security (a “Share Swap Transaction”), (c) an OTC swap transaction relating to a basket of indices (an ”Index Basket Swap Transaction”) or (d) an OTC swap transction relating to basket of shares or other securities (a “Share Basket Swap Transaction”).”

**Terms**

The terms of the particular Transaction are as follows:

**General terms**

|  |  |  |
| --- | --- | --- |
| Trade Date | : | **TBD** |
| Effective Date | : | **TBD** |
| Termination Date | : | The last Cash Settlement Payment Date (i) |
| Index | : | SGI VRR US Index – Series 2 (USD – Excess Return) (Bloomberg ticker SGIXEVR2 <Index>) (the “**Underlying**”) |
| Exchange(s) | : | The principal exchange or quotation system on which, in the good faith determination of the Calculation Agent, the main Index Components are traded and which offers the highest liquidity for such components, or any successor or substitute exchange or quotation system. |
| Related Exchange(s) | : | Each exchange or quotation system where, in the good faith determination of the Calculation Agent, trading has a material effect on the overall market for futures and options relating to the main Index Components, or any successor or substitute exchange or quotation system. |
| Number of Units (“NU”) | : | [TBD] |
| Equity Notional Amount |  | TBD USD  (calculated as Number of Units × Initial Price) |
| Calculation Agent | : | SG |

**Equity Amount**

**The Equity Amount Payer pays on Cash Settlement Payment Date (i) (I from 1 to 4), the relevant Equity Amount(i) determined in accordance with the following:**

|  |  |  |
| --- | --- | --- |
| Equity Amount Payer | : | If the Equity Amount(i)   1. is positive, SG shall be the Equity Amount Payer and shall pay to the Client the Equity Amount(i) on the Cash Settlement Payment Date(i); 2. is negative, the Client shall be the Equity Amount Payer and shall pay to SG an amount equal to the absolute value of the Equity Amount(i) on the Cash Settlement Payment Date(i); and 3. is zero, there will be no Equity Amount Payer and neither party shall be required to make any payment to the other party. |
| Equity Notional Reset | : | Applicable |
| Equity Amount(i); (i from 1 to 4) | : | Subject to the Optional Early Termination provision below, an amount, if any, expressed in the Settlement Currency, as determined by the Calculation Agent on Valuation Date(i) in accordance with the following formula:  PR × NU × EP(i) |
| Equity Performance(i) (“**EP(i)**”) (i from 1 to 4) |  | For i = 1  EP(i) = [S(i) - Initial Price]  For i=4  EP(i) = [Final Price - S(i-1)]  For i = 2 or 3  EP(i) = [S(i) - S(i-1)] |
| Participation Rate, “PR” | : | 100% |
| Initial Price | : | TBD i.e. S(0) × (1 + EntryCost) |
| Final Price | : | S(4) × (1 – ExitCost ) |
| S(i); (i from 0 to 1) | : | means the Closing Price of the Underlying on the Valuation Date(i) |
| Valuation Date(0) | : | **TBD**, or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day |
| Valuation Date(i) (i from 1 to 4) | : | Subject to the Optional Early Termination provisions below, each date as specified in the table below:   |  |  | | --- | --- | | Valuation Date(1) | TBD | | Valuation Date(2) | TBD | | Valuation Date(3) | TBD | | Valuation Date(4) | TBD |   or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.  The Valuation Date(0) and Valuation Date(4) shall be deemed to be a “Valuation Date” for the purposes of Section 6.6 of the Equity Definitions. |

|  |  |  |
| --- | --- | --- |
| EntryCost | : | 1% |
| ExitCost | : | 1% |

**Settlement Terms:**

|  |  |  |
| --- | --- | --- |
| Cash Settlement | : | Applicable |
| Settlement Currency | : | USD |
| Cash Settlement Payment  Date(i) (i from 1 to 4) | : | Three (3) Currency Business Days following each Valuation Date (i) |
| Currency Business Day | : | Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in New York and Seoul |
| Settlement Method Election | : | Not Applicable |

**Fixed Amount**

**The Fixed Amount Payer pays, on each Fixed Amount Payment Date (i) (i from 1 to 4), a Fixed Amount (i) determined in accordance with the following:**

|  |  |  |
| --- | --- | --- |
| Fixed Amount Payer | : | The Client |
| Fixed Amount (i); (i from 1 to 4) | : | An amount, if any, expressed in the Settlement Currency, as determined by the Calculation Agent on Valuation Date(i) in accordance with following formula:  PR × NU × Initial Price× Swap Fees × Day Count Fraction |
| Swap Fees | : | +0.20% per annum |
| Day Count Fraction | : | means, the actual number of calendar days between oneValuation Date(i-1) (included) to the next following Valuation Date(i) (excluded) and divided by 365 |
| Fixed Amount Payment Dates (i); (i from 1 to 4) | : | Each Cash Settlement Payment Date (i) |

**Definitions specific to SGI Index**

|  |  |  |
| --- | --- | --- |
| Index Rules | : | The index rules in respect of SGI VRR US Index – Series 2 (USD – Excess Return) (Bloomberg ticker SGIXEVR2 <Index>) dated as of 8th February 2023, as such rules may be amended, supplemented or superseded from time to time. A copy of current Index Rules applicable to the Index is available either online on the website https://sgi.sgmarkets.com/en/, or if not online, upon written request made to the Index Sponsor. |
| Index Sponsor | : | Société Générale |
| Index Calculation Agent | : | Solactive AG |
| Index Component | : | Derivatives and Other Instrument and Market Data |

|  |  |  |
| --- | --- | --- |
| Derivatives and Other Instrument | : | means (i) a warrant, an over-the-counter swap, a future, an option, an OTC Option or any other contract traded on a regulated or organized market (and which in any case, is not a Commodities Instrument), (ii) an index on any of the aforementioned (i.e. an “**Underlying Index**”), or (iii) any other similar instrument specified as such in the Index Rules. |

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| Market Data | : | means (i) a rate (including an interest rate, a foreign exchange rate or a swap rate), a spread, or any other data identified as “Market Data” in the Index Rules or (ii) an index or similar instrument relating to the data described in the foregoing item (i) (but excluding, for the avoidance of doubt, an Underlying Index or an Underlying SGI Index), identified as “Market Data” in the Index Rules. |

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| Valuation Time | : | The time on the relevant Valuation Date as of which the Closing Price is published by the Index Calculation Agent pursuant to the Index Rules. |

**Other Definitions**

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| Closing Price | : | The official closing level of the Index published and announced by its Index Calculation Agent on the relevant date as at the Valuation Time as specified in the Index Rules. |
| Scheduled Trading Day | : | Any day on which the Index Calculation Agent is scheduled to publish the Closing Price pursuant to the Index Rules. |
| Exchange Business Day | : | Any Scheduled Trading Day on which the Index Calculation Agent publishes the Closing Price. |
| Correction of Index Levels | : | Notwithstanding Section 11.4 of the Equity Definitions, in the event that any price or level published on the Exchange or by the Index Sponsor and/or Index Calculation Agent and which is utilized for any calculation or determination made under this Transaction is subsequently corrected and the correction is published by the Exchange or the Index Sponsor and/or Index Calculation Agent within two Currency Business Days after the original publication, either party may notify the other party of that correction, and, to the extent necessary, the Calculation Agent will adjust the terms of this Transaction to account for such correction. |
| Market Disruption Event | : | Notwithstanding Section 6.3(a) of the Equity Definitions, the occurrence of any Index Disruption Event, as defined in the Index Rules, that has a material effect on the Transaction as determined by the Calculation Agent shall constitute a Market Disruption Event hereunder, and the paragraph “Consequences of a Market Disruption Event” set out below shall apply. |
| Disrupted Day | : | Notwithstanding Section 6.4 of the Equity Definitions, any Scheduled Trading Day on which a Market Disruption Event occurs. |
| Consequences of a Market Disruption Event | : | Notwithstanding Section 6.6 of the Equity Definitions, if any Scheduled Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the five Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the fifth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that fifth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the levels and prices described for such circumstances in the Index Rules (and SGI Global Methodology as described therein). |

If any event hereunder constitutes both a Market Disruption Event and an Index Adjustment Event, the event will be deemed to be an Index Adjustment Event.

**Index Adjustment Events**

Section 11.1(a) of the Equity Definitions is deleted and replaced in its entirety by the following:

“If on any Scheduled Trading Day, the Index is:

1. not published by the Index Calculation Agent, but is published by a successor index calculation agent (the “**Successor Index Calculation Agent**”), acceptable to the Calculation Agent, or
2. replaced by an index whose main characteristics are similar to those of the Index, in the determination of the Calculation Agent; (the main characteristics of an index comprise, without limitation, its strategy, its currency, the asset class, geographical or economical sectors reflected in such index (a “**Similar Index**”)),

then in each case that index published by the Successor Index Calculation Agent or such Similar Index, as the case may be, will be deemed to be the Index so calculated and announced”.

The first paragraph of Section 11.1(b) of the Equity Definitions is deleted and replaced in its entirety by the following : “If (i) on or prior to any Valuation Date, the Index Sponsor and/or Index Calculation Agent announce(s) that it/they will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in Index Components and other routine events) (an “**Index Modification**”), or (ii) the Index Sponsor permanently cancels the Index and no Similar Index exists or the agreement between the Index Calculation Agent and the Index Sponsor is terminated, all, as determined by the Calculation Agent (an “**Index Cancellation**”) or (iii) on any Valuation Date, the Index Calculation Agent fails to calculate and publish the level of the Index other than as a result of the occurrence of a Market Disruption Event and such failure is likely to have a material impact on the hedge of Société Générale in connection with the Transaction (an “**Index Disruption**” and together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the following paragraph (“Consequences of Index Adjustment Events”) shall apply :”

**Consequences of Index Adjustment Events**

The Calculation Agent will either (i) calculate the level of the Index on the relevant Valuation Date, as applicable, in accordance with the formula for and method of calculating the Index last in effect prior to that Index Adjustment Event, but using only those Index Components that comprised the Index immediately prior to that Index Adjustment Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Transaction, or (ii) replace the Index by a Similar Index, or (iii) terminate the Transaction by applying Cancellation and Payment provided that in Section 11.1(b)(C) of the Equity Definitions, the reference to “Index Sponsor” shall be deemed a reference to “Index Sponsor and/or Index Calculation Agent”, and provided further that for the purposes of calculating the Cancellation Amount, the Determining Party will calculate the Cancellation Amount (and will determine which party will pay such amount) on the basis of factors that it deems appropriate.

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| --- | --- | --- |
| Determining Party | : | SG |

**Additional Disruption Events**

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| --- | --- | --- | --- | --- |
| Change in Law | | : | Applicable, the consequences of such Change in Law being the following: (a) as provided in Section 12.9(b)(i) of the Equity Definitions or (b) if so elected by both Parties, the Calculation Agent may replace the Index with a Similar Index where such replacement will enable the party affected by such Change in Law to maintain its Hedge Positions whilst such illegality ceases to exist; and provided that Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words: ""Change in Law" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to this Transaction to hold, acquire or dispose of Hedge Positions relating to such Transaction.” | |
| Hedging Disruption | | : | Applicable. Upon the occurrence of the Hedging Disruption, the Calculation Agent will either (i) replace the Index by a Similar Index, or (ii) terminate the Transaction in accordance with Section 12.9(b)(iii) of the Equity Definitions, or (iii) determine that no adjustment, replacement or cancellation of the Transaction will be made. | |
| Hedging Party | | : | SG | |
| Increased Cost of Hedging | | : | Applicable. Upon the occurrence of the Increased Cost of Hedging, t  he Calculation Agent will either (i) replace the Index by a Similar Index, thereby mitigating or fully eliminating such increased cost or (ii) at the option of the Hedging Party, propose a Price Adjustment and, if not accepted by the Non-Hedging Party, terminate the Transaction in accordance with Section 12.9(b)(vi) of the Equity Definitions, or (iii) determine that no adjustment, replacement or cancellation of the Transaction will be made. | |
| Determining Party | | : | SG | |
| Optional Early Termination | | | : | 1. On any Scheduled Trading Day from, and including, the Trade Date to, but excluding, the Valuation Date(4) (each such Scheduled Trading Day, the “**OET Day**”) and as long as no Potential Event of Default, Event of Default or Termination Event has occurred and is continuing in respect of it; the Client may terminate the Transaction, in whole or in part (such whole or part, the “**Terminated Number of Units**”), by giving telephonic notice, if practicable, otherwise written notice by email or other form of electronic transmission (a “**Termination Notice**”) to the other party specifying the Terminated Number of Units in respect of the relevant part of the Transaction being terminated, and the date of the proposed termination (an “**Early Final Valuation Date**”)   If the Termination Notice is given (1) on or before 4:00 p.m. (Hong Kong time) on a Scheduled Trading Day, then the Termination Notice shall be deemed to have been given on the same date it was given; (2) after 4:00 p.m. (Hong Kong time) on any day, then the Termination Notice shall be deemed to have been given at 9:00 a.m. (Hong Kong time) on the immediately following Scheduled Trading Day.  The Terminated Number of Units referred to in a Termination Notice may not exceed the outstanding Number of Units as of the date the Termination Notice is given or deemed given.   1. With respect to the Terminated Number of Units, the Calculation Agent will determine an amount expressed in the Settlement Currency on the Early Final Valuation Date (as though such date were a Valuation Date) in accordance with the following formula (the “**Early Termination Amount**”):   Terminated Number of Units x [ (S(tOE) x (1-0.0001xExitCost(tOE) - BF) – S(tP)) - PR × S(tp) × 0.20% × Day Count Fraction (OE) ]  where:  “**S(tOE)**” means the Closing Price of the Underlying on the Early Final Valuation Date;  **“ExitCost(tOE)**” means the value as shown under the Bloomberg ticker SGIXVR2K <Index> on the Early Final Valuation Date  “**S(tP)**” means the Closing Price of the Underlying on the Valuation Date immediately preceding the Early Final Valuation Date, provided that if the Early Final Valuation Date occurs prior to Valuation Date(1), S(tp) shall mean the Initial Price.  “**PR**” means 100%  “**Day Count Fraction (OE)**” means the actual number of calendar days between the Valuation Date immediately preceding the Early Final Valuation Date (included) to the Early Final Valuation Date (excluded) and divided by 365  “**BF**” means the break fee which will be equal to 0.05% if Early Final Valuation Date corresponding to Terminated Number of Units is not equal to any of the Valuation Date (i) or 0% otherwise  “**tOE**” means the Early Final Valuation Date corresponding to the Terminated Number of Units  With respect to the Terminated Number of Units only, in the event an Early Final Valuation Date falls on any Valuation Date then (i) the only amount payable in respect of such Early Final Valuation Date/Valuation Date and the Terminated Portion shall be the relevant Early Termination Amount and (ii) any Equity Amounts and Fixed Amounts payable in respect of the Transaction in respect of such Valuation Date will be calculated after taking into account the reduction in the Transaction pursuant to (c) below.  If the Early Termination Amount is positive, then the Equity Amount Payer will pay to the Equity Amount Receiver such amount on the third Currency Business Day following the Early Final Valuation Date (such date an “**Early Termination Amount Payment Date**”). If the Early Termination Amount is negative, the Equity Amount Receiver will pay to the Equity Amount Payer the absolute value of such amount on the Early Termination Amount Payment Date.   1. The part of the Transaction represented by the Terminated Number of Units shall be terminated on the Early Termination Date, the parties will have no further obligations in respect of the Terminated Number of Units, (except payments that are due but unpaid and except the payment that is required to be made pursuant to paragraph (b) above) and the Calculation Agent shall reduce the Transaction by the Terminated Number of Units and make corresponding adjustments to the Number of Units. | | |
|  | |  |  | |
| Non Reliance | | : | Applicable | |
| Agreements and Acknowledgements Regarding Hedging Activities | | : | Applicable | |
| Additional Acknowledgements | : | Applicable | |
| Index Disclaimer | | : | Section 13.3 of the Equity Definitions is deleted in its entirety and replaced as follows:  The Index is the sole and exclusive property of Société Générale, which has contracted with the Index Calculation Agent to maintain and calculate the Index.  Société Générale and the Index Calculation Agent do not guarantee the accuracy and/or the completeness of the composition, calculation, dissemination and adjustment of the Index, nor of the data included therein.  Subject to any applicable law, Société Générale and the Index Calculation Agent shall have no liability for any errors, omissions, interruptions or delays relating to the Index.  Société Générale and the Index Calculation Agent make no warranty, whether express or implied, relating to (i) the merchantability or fitness for a particular purpose of the Index, and (ii) the results of the use of the Index or any data included therein.  Subject to any applicable law, Société Générale and the Index Calculation Agent shall have no liability for any losses, damages, costs or expenses (including loss of profits) arising, directly or indirectly, from of the use of the Index or any data included therein.  The levels of the Index do not represent a valuation or a price for any product referencing the Index.  A copy of the Index Rules is available upon written request made to Société Générale.  Party B acknowledges and agrees to observe (a) the Index Calculation Agent’s disclaimers and notices set out in the Index Rules; and (b) the Index Sponsor’s disclaimers and notices set out in the Index Rules.  Absent the prior written consent to the contrary by Société Générale (a) the Index administered and/or sponsored by Société Générale and referred to in this document as an underlying of the Transaction; and (b) any information relating to it such as its rules, values or levels, are confidential and solely intended for your personal use.  Such information should not be made available to the public. Communication of such information within your organization or with your external service providers, counterparties or clients should be limited to identified persons whose involvement is required for purposes of a permitted transaction referring to (as applicable) the Index, subject to applicable law, rules and regulations and relevant internal risk and compliance policies.  Société Générale shall not be responsible for any breach of this limited dissemination requirement. | |
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| --- | --- | --- |
| **Account details** |  |  |
|  |  | For SG |
|  |  |  |
| Correspondent | : |  |
| Beneficiary | : |  |
| Account Number | : |  |
|  |  |  |
|  |  | For the Client |
|  |  |  |
| Correspondent | : | To be provided |
|  |  |  |
| **Addresses for notification** |  |  |
|  |  |  |
| [CLIENT]  Attention | :  : |  |
| Department | : |  |
| Address | : |  |
| Fax | : |  |
| Tel | : |  |
|  |  |  |
| Société Générale | : |  |
| Attention | : |  |
| Department | : |  |
| Address | : |  |
| Fax | : |  |
| Tel | : |  |

|  |
| --- |
|  |

Party B hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Party A) correctly sets forth the terms of the agreement between Party A and Party B with respect to this Transaction, by manually signing this Confirmation as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to us at the contact information listed above.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SOCIETE GENERALE | | | HANA SECURITIES CO., LTD. | | |
| By | : |  | By | : |  |
| Title | : |  | Title | : |  |