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Deal Reference Number: {StructuredReference}

Inverse Average Rate Currency Option Confirmation

Dear Sirs,

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

1. General Terms

Trade Date:	{date} (the time of the transaction will be supplied on request)
Buyer:	{CounterpartyLegalName}/ The Royal Bank of Scotland plc ("RBS")
Seller:	{CounterpartyLegalName}/ The Royal Bank of Scotland plc ("RBS")
Currency Option Style:	European
Currency Option Type:	{ccy} Put / {ccy} Call
Call Currency and Call Currency Amount:	{ccy} (amount)
Put Currency and Put Currency Amount:	{ccy} (amount)
Strike Price:	{rate} {ccy} per 1 {ccy}
Valuation Date:	{date}
Settlement Date:	{date}
Premium:	{ccy} (amount)
Premium Payment Date:	{date}
Settlement:	Non-Deliverable
Settlement Currency:	{ccy}
Reference Currency:	{ccy}
First Fixing Date:	{date}
Final Fixing Date:	Valuation Date
Fixing Time:	{time} local time in {city}

Fixing Source:

Reuters Screen [\(source\)](#) Page, or any successor page thereto

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between {CounterpartyLegalName} (the "Counterparty") and The Royal Bank of Scotland plc, on the Trade Date specified above (the "Transaction"). The definitions and provisions contained in the 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement, as published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee (the "Definitions"), are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of {AgreementDate}, as amended and supplemented from time to time (the "ISDA Master Agreement"), between {CounterpartyLegalName} and The Royal Bank of Scotland plc. All provisions contained in the Agreement govern this Confirmation except as expressly modified herein.

Terms Relating to Settlement

In respect of an Exercise Date, Seller will pay to Buyer the In-the-Money Amount, if positive, expressed in the Settlement Currency on the Settlement Date, subject to any applicable condition precedent and any applicable provisions of Article 5 of the Definitions.

In-the-Money Amount

Article 3.7(c) In-the-Money Amount of the Definitions shall be deleted and replaced as follows:-

"In-the-Money Amount" means, in respect of a Valuation Date:-

(A) in the case of a Currency Option Transaction where the Settlement Currency is the Call Currency and the Reference Currency is the Put Currency:

Put Currency and Put Currency Amount x ((1/Strike Price) - (1/Settlement Rate))

where the Settlement Rate is quoted on the same rate quotation basis as the Strike Price.

(B) in the case of a Currency Option Transaction where the Settlement Currency is the Put Currency and the Reference Currency is the Call Currency:

Call Currency and Call Currency Amount x ((1/Settlement Rate) - (1/Strike Price))

where the Settlement Rate is quoted on the same rate quotation basis as the Strike Price.

Averaging

Article 3.8 (b) Settlement Rate of the Definitions shall be deleted and replaced as follows:-

For purposes of determining the Settlement Rate in relation to a Valuation Date, the Settlement Rate will be equal to the sum of the Fixing Rates for each Averaging Date divided by the total number of Averaging Dates. The Settlement Rate will be rounded up to eight decimal places.

Averaging Date: Means each Business Day from and including the First Fixing Date to and including the Final Fixing Date (weekends and public holidays excluded).

Fixing Rate: Means the rate of exchange expressed as the number of (Ccy) required to purchase one (Ccy) quoted by the Fixing Source at the Fixing Time stated in this Confirmation. Provided that where RBS determines, in good faith and in consultation with the Counterparty, that a Fixing Rate is not representative of market conditions, or the Fixing Source is otherwise unavailable, RBS may determine an alternative Fixing Rate, or method of determining an alternative Fixing Rate, taking into account all information that, in good faith, it deems relevant.

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|--|---|
| 2. Calculation Agent: | (insert CA) |
| 3. Governing law: | The governing law of the ISDA Master Agreement |
| 4. Offices: | |
| The Office of The Royal Bank of Scotland plc is: | London |
| The Office of {CounterpartyLegalName} is: | {CounterpartyOffice} |
| 5. Account Details: | As per the standard settlement instructions for the relevant currency notified to the other party |

6. Representations

Each party represents to the other party on the trade date of this Transaction that (in the absence of a written agreement between the parties that expressly imposes affirmative obligations to the contrary for this Transaction):-

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a

recommendation to enter into this Transaction, no communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.

(c) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of this Transaction.

7. Other

This Transaction has been entered into between yourselves and The Royal Bank of Scotland plc, which is authorised and regulated by the Financial Services Authority. This Confirmation is in final form and replaces and supersedes all previous Confirmations and communications in respect of this Transaction. No hard copy will follow. In the event that you disagree with any part of this Confirmation, please notify us promptly via the contact details on the first page so that the discrepancy may be resolved. Please note that our telephone conversations with you may be recorded.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing and returning to us by facsimile an **entire** copy of this Confirmation.

Yours sincerely,
For and on Behalf of
The Royal Bank of Scotland plc

Confirmed as of the date first written
{ CounterpartyLegalName }
{ CounterpartyOffice }
Counterparty Deal
Reference: _____