

Terms & Conditions

In consideration of HDFC Bank Limited ("HDFC Bank") having at my / our request agreed to book a FX-Forward Contract(s) (s) against my/our NRE FD/ FCNR FD/ Investment in FMP from time to time, I /We do hereby irrevocably agree, confirm and undertake to HDFC Bank as follows:

- 1 The FX-Forward Contract shall be subject to the rules and regulations framed by the Reserve Bank of India (RBI) notifications issued under Foreign Exchange Management Act (FEMA) and the rules of the Foreign Exchange Dealers Association of India (FEDAI). I/We hereby confirm that I/we will comply with the same, as applicable from time to time.
- 2 The FX-Forward Contract is not assignable by us without the prior written consent of HDFC Bank.
I/ We also understand that if I/We refuse to comply with any legal requirement in respect of entering into the FX-Forward Contract(s) or make or give unsatisfactory compliance therewith, HDFC bank shall refuse to undertake the Contract and shall, if it has reason to believe that any contravention/evasion is contemplated by me/us, report the matter to the Reserve Bank of India.
- 4 I / we confirm that there is sufficient underlying exposure, i.e. NRE FD/ FCNR FD/ Investment in FMP, to enable me / us to enter into the FX-Forward Contract(s) and that the same has not been hedged earlier and cancelled with any authorized dealer. I / We also confirm that I/ We will not book or enter into any other FX-forward contract / derivative contract for the same underlying exposure NRE FD/ FCNR FD/ Investment in FMP with any authorized dealer or other person during the tenure of the Contract, or, in case the Contract(s) is cancelled, before maturity thereof.
- 5 At my/our request HDFC Bank has agreed to accept instructions/request to book FX-forward contract, make investments, mark lien on the FDs/FCNRs in favour of HDFC Bank and any and all instructions as contemplated above via email (which has been sent from the email address registered with HDFC Bank) , whether or not the same has been electronically signed (as defined hereunder) hereafter referred to as " Virtual Instructions" subject to my/our indemnity and on the terms and conditions contained herein. For the purpose of this document an email shall be deemed to be "Electronically Signed" if the same has been encrypted/ authenticated by using an electronic method or procedure in accordance with the provisions of the Information Technology Act, 2000 or in any other manner/ method/ procedure/ technique as is recognized/ envisaged as a valid method of encryption/ authentication under the provisions of the Information Technology Act, 2000;
- 6 I/We agree that notwithstanding anything to the contrary contained herein, HDFC Bank shall not be obliged to act on the basis of any Virtual Instructions in the event that (i) HDFC Bank does not, in good faith, believe the Virtual Instructions to be genuine; (ii) HDFC Bank suspects, in good faith, that the Virtual Instructions have not been sent by me/us or (iii) there is an error in transmission or reception of such Virtual Instructions received by HDFC Bank and HDFC Bank has not received or HDFC Bank, in good faith, believes or suspects that it has not received the complete and correct Virtual Instructions; or (iv) there is any ambiguity, lack of clarity or incompleteness in the Virtual Instructions received by HDFC Bank. I/We further agree and undertake that HDFC Bank shall not be liable or responsible for not acting or for delay in acting on the basis of any Virtual Instructions under the circumstances mentioned above or any consequences of whatsoever nature including, without limitation, any losses, damages and/or expenses incurred by me/us arising as a result of or pursuant to HDFC Bank not acting on the basis of any Virtual Instructions as aforesaid.
- 7 That HDFC Bank is hereby authorized to mark a lien in its favor on the above NRE FD/ FCNR FD/ Investment in FMP with the right to recover from said NRE FD/ FCNR FD/ Investment in FMP all amounts due by me /us pursuant to this FX-Forward Contract Confirmation
- 8 That I /We shall not prematurely withdraw or liquidate the NRE FD/ FCNR FD/ Investment in FMP which is held as security for the FX-Forward Contract, for any reasons whatsoever unless permitted by HDFC Bank and on such terms and conditions set out by HDFC Bank, which I /We shall abide.
- 9 That in the event HDFC Bank at my/our request permits premature withdrawal or liquidation of the said NRE FD/ FCNR FD/ Investment in FMP, I/we understand that FX-forward contract will be cancelled/ liquidated at the rate prevailing in market on the date of cancellation/liquidation and the same is subject to change due to market & intraday fluctuation.
If any loss arises to HDFC Bank as a consequence of the cancellation of the FX-Forward Contract prior to maturity, I/We hereby irrevocably and unconditionally agree and undertake to pay / reimburse to HDFC, without demur and /or contestation the amount of such loss as calculated, discounted at the MIOIS (Mumbai Interbank Overnight Indexed Swap) rate of the Bank.

10 Further, I/We hereby authorize HDFC Bank to appropriate, recover and adjust the loss if any incurred by HDFC Bank consequent to the cancellation of the FX-Forward Contract(s) prior to maturity, from the said NRE FD/ FCNR FD/ Investment in FMP which is held under lien as a security for the Forward Contract, and pay over the balance, if any, to me / us, after cancellation of the Contract(s) and recovery and adjustment of the loss as aforesaid.

11 I /We acknowledge that in the event there is any gain at the time of cancellation of the FX-Forward Contract(s) prior to maturity, HDFC Bank shall pay the gain amount to me /us after appropriately discounting the same at the MIOIS (Mumbai Interbank Overnight Indexed Swap) rate of the Bank.

12 The aforesaid loss/gain will be on a front-end basis i.e. paid/ received immediately on cancellation of the FX-Forward Contract at a discounted rate (HDFC Bank's prevailing MIOIS - Mumbai Interbank Overnight Indexed Swap)) to HDFC Bank or me/us in the event of loss or gain as the case may be.

13 The aforesaid loss/gain will be on a front-end basis i.e. paid/ received immediately on cancellation of the FX-Forward Contract at a discounted rate (HDFC Bank's prevailing MIOIS - Mumbai Interbank Overnight Indexed Swap)) to HDFC Bank or me/us in the event of loss or gain as the case may be.

14 I / We agree and understand that HDFC Bank is entitled to and will charge interest at the relevant Base for late receipt of any amount due from me/us (amount not received with value date as of the maturity date) and this amount will be recovered from the said NRE FD/ FCNR FD/ Investment in FMP. To the extent that the said NRE FD/ FCNR FD/ Investment in FMP is not sufficient, the balance amount alongwith interest thereon, will be due and payable by me/ us and may be recovered by HDFC Bank accordingly.

I / we further unconditionally and irrevocably agree that on the occurrence of any of the following events, HDFC Bank shall, by a notice in writing, be entitled in its sole discretion to cancel and terminate any or all outstanding FX-Forward Contract(s), prior to maturity thereof, :

- 15 A failure or default on our part in maintaining the said underlying exposure, as security
- A receiver being appointed for any of my /our properties or assets, or my / our becoming insolvent, or being unable to pay my / our debts, or admitting in writing my / our inability generally to pay my / our debts as they become due, or
- Market constraints in India or events of force majeure or acts of God or circumstances beyond the reasonable control of HDFC Bank.
- Any other event occurring which in the sole opinion of the Bank is prejudicial to the interests of the Bank or is likely to materially and adversely affect my/our liability to pay any charges or meet any of my/our obligations under and in connection with the settlement of the Contracts or the underlying exposures

I / we represent and warrant that:

- 16 I/ we are duly organized and validly existing under all applicable laws and is duly registered and authorized to enter into this Agreement and the FX-Forward Contract(s) contemplated hereunder;
- I / we have the requisite power, licenses, consents, permission, approvals and authorities to execute and deliver this Agreement and the FX-Forward Contract(s) contemplated hereunder;
- the execution, delivery and consummation of the obligations under this Agreement and the FX-Forward Contract(s) contemplated hereunder shall not (a) violate any laws or legal requirement, or (b) conflict with any, other agreement, contract or arrangement under which I / we am / are a party.

17 Neither me/us nor any other person benefiting, directly or indirectly, in any capacity in connection with or from this agreement/Contracts and/or instruments and/or payments hereunder feature in the list published by the Office of Foreign Assets Control, U.S. Department of the Treasury, from time to time comprising of (i) individuals or companies owned or controlled by, or acting for or on behalf of, targeted countries or groups including without limitation individuals are identified as terrorists or narcotics traffickers, or (ii) individuals and companies that are categorised as 'Special Designated Nationals' (SDNs) and/or otherwise sanctioned, under the sanctions (and related laws) promulgated by the United States (including the Office of Foreign Assets Control (OFAC)), India, United Nations, European Union, and/or any other country (collectively, the "Sanctions").I/We agree and acknowledge that upon being included the abovementioned lists, the Bank shall be entitled to cancel/ terminate the Contract with immediate effect, and in such event all the amounts due or payable on account of cancellation of the Contracts shall become immediately due and payable to the Bank.

18 I/we hereby agree and acknowledge that the Bank may require me/us to provide assistance and co-operation in relation to Foreign Account Tax Compliance Act ("FATCA") compliance (including without limitation the provisions of the Income Tax Act, 1961 and the directions of RBI, from time

18 time), and in this regard, I/we hereby agree and undertake to extend full co-operation to the Bank including, without limitation, by furnishing such information, forms, records, reports, data which the Bank may require

19 This Agreement and all FX-Forward Contract(s) entered into hereunder shall be subject to the laws of India and exclusive jurisdiction of the courts and tribunals at Mumbai.

I/We confirm that HDFC Bank shall be entitled, but not be obliged to, act on the Virtual Instructions received from me/us during business hours at the email address specified by HDFC Bank. I/We agree and confirm that all Virtual Instructions received by HDFC Bank (which has been sent from the email address registered with HDFC Bank), whether or not such email has been electronically signed, shall be deemed to and be treated as, having been given by me/us. HDFC Bank shall be entitled to rely upon such Virtual Instructions so received (in case of email communication, whether or not such email has been Electronically Signed) and to act upon the same without being required or expected to carry out an independent verification of the authenticity or validity of such Virtual Instructions.

20 I / we agree and acknowledge that the FX-Forward Contract confirmation advice will be sent by HDFC Bank through email at the email address mentioned in our Bank records and that internal record of HDFC Bank noting the issue of such confirmation by email would be sufficient proof of delivery.

I/We agree to and confirm the particulars and terms contained herein and undertake to comply therewith.