

# Interest Rate Swap

## Product Information Statement

An Interest Rate Swap (IRS) is an agreement between you and Westpac (the Bank) where one party agrees to pay the other (in cash) the difference between a fixed interest rate (the Fixed Rate) and a series of floating interest rates (the Floating Rate) over an agreed period of time.

Key Facts	
Eligibility	Wholesale client only
Minimum Transaction Amount	AUD \$1,000,000
Term	1 Year to 20 Years
Currency	AUD
Coupon Payment Frequencies	Monthly, Quarterly, Semi-Annual

Issued by Westpac Banking Corporation  
Australian Financial Services Licence No. 233714  
ABN 33 007 457 141  
Dated: October 2015

 **Westpac**

**Institutional  
Bank**

# Interest Rate Swap

## Description

- An IRS is a financial instrument in which one party swaps a stream of floating interest payments for another party's fixed interest payments. The parties do not, in reality, make these two corresponding payments – instead, a single, net payment is made in one direction or the other.
- An IRS can be used as an interest rate management tool by clients to manage their Fixed Rate or Floating Rate liabilities over a period of time so they are no longer exposed to changes in interest rates during the period.
- You can tailor your IRS by selecting from a range of Coupon Payment frequencies, Reset Dates, Payment Dates and by having different Notional Amounts over the Term.
- An IRS is a hedging tool only and not a lending facility.

## Suitability

- An IRS may be suitable if you have a good understanding of interest rate markets and would like to change your interest rate exposure, based on your underlying liabilities, interest rate view, hedging and/or cash-flow requirements.
- If you are not confident about your understanding of these things, this product may not be suitable for you and we strongly suggest you seek independent advice before making a decision about this product.
- An IRS should only be used where you have a genuine commercial need to manage interest rate risk. It should not be used for speculative purposes.

## Key Benefits

- **Flexibility** – You can tailor your IRS to your interest rate view, hedging and/or cash-flow requirements.
- **Certainty** – You can manage your interest rate exposure when you lock-in a Fixed Rate as a hedge against your floating liabilities or to reliably meet cash-flow requirements.
- **No upfront premium** – There is no upfront premium payable under an IRS

## Key Risks

- **Interest Rate Risk** – Interest rates may not move in line with your view. For example, you will be exposed to potential changes in the Floating Rate.
- **Early Termination/Variation** – You can vary or terminate an IRS early but there may be a cost if you do.
- **Counterparty and operational risk** – the Bank has performance obligations under an IRS. You need to form a judgement on our ability to meet those obligations.

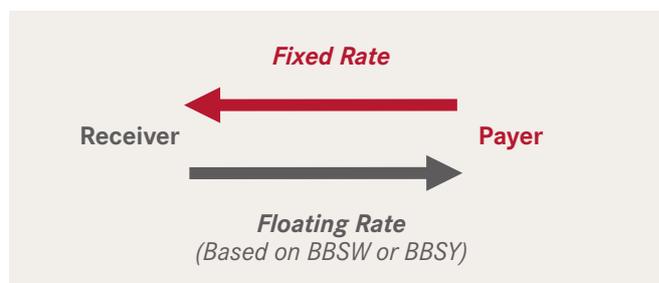
## Costs

- **Fees** -There are no establishment fees, transaction fees, or monthly service fees payable on an IRS.

## What is an Interest Rate Swap?

An IRS is an agreement between you and the Bank where one party agrees to pay the other (in cash) the difference between a fixed interest rate (the Fixed Rate) and a series of variable interest rates (the Floating Rate) over an agreed period of time.

Each IRS involves a fixed interest rate and a floating interest rate at inception.



The Fixed Rate is established at the beginning of the transaction, while the Floating Rate is based on a **Reference Rate** determined on periodic **Reset Dates** over the life of the transaction. The commonly used variable Reference Rates are 'BBSW' or 'BBSY'.

An IRS is based on an agreed Notional Amount (the Notional Amount), however, the Notional Amount can vary over the Term depending on your interest rate view, hedging and/or cash-flow requirements.

## Who is the Payer and Receiver under an IRS?

You may be the Payer or the Receiver. In every IRS transaction:

- the **Payer pays** the Fixed Rate (and receives the Floating Rate); while
- the **Receiver receives** the Fixed Rate (and pays the Floating Rate).

For example, under an IRS a Fixed Rate Payer and Fixed Rate Receiver will have different motivations:

Who	Pays?	Receives?	Why
<b>Payer</b>	Fixed Rate	Floating Rate	Hedges a Floating Rate liability, effectively fixing it.
<b>Receiver</b>	Floating Rate	Fixed Rate	Hedges a Fixed Rate liability, effectively opening it up to floating rate fluctuations.

## Netted Payments

The parties do not in reality, make two corresponding payments on each **Payment Date** – instead, a single, net payment is made in one direction or the other.

## How is an IRS designed?

After considering your circumstances carefully, you decide:

- the Notional Amount (subject to a minimum of AUD \$1,000,000);
  - the Commencement Date;
  - the Term of your Interest Rate Swap (one to twenty years);
  - the Coupon Payment frequency (monthly, quarterly or semi-annually);
  - whether you are a Payer or a Receiver;
  - the Reset Dates and Payment Dates of your Interest Rate Swap; and
  - if you want to vary the Notional Amount during the Term.
- The Bank then determines the relevant Fixed Rate, payable at the end of each interest rate period (in arrears) on each Payment Date. The Floating Rate will be set at the beginning of each interest rate period (on the Reset Date) and is also payable in arrears on the Payment Date. The payments of the Fixed Rate and the Floating Rate will be netted on the Payment Dates.

You can tailor an IRS by selecting from a range of Coupon Payment frequencies, Reset Dates and Payment Dates and by having the option to structure.

## How does an IRS work?

At each Payment Date:

- if the Floating Rate is greater than the Fixed Rate, the Payer will receive a cash payment from the Receiver; or
  - if the Floating Rate is less than the Fixed Rate, the Receiver will receive a cash payment from the Payer.
- In each case, the cash payment will be determined by the difference between the Floating Rate and the Fixed Rate. If, however, the Floating Rate and the Fixed Rate are the same, no cash payment is made.
- The Floating Rate will have been set on the preceding Reset Date, or the Commencement Date in the case of the first interest rate period.

## How is the Floating Rate determined?

The Floating Rate used to determine the Floating Rate Coupon Payments will be based on:

- Australian Bank Bill Swap Rate ('BBSW'); or
  - Australian Bank Bill Swap Bid Rate ('BBSY').
- Reference Rates are available for Designated Maturities of:
- one month (1m BBSW or 1m BBSY);
  - three months (3m BBSW or 3m BBSY); or
  - six months (6m BBSW or 6m BBSY).

The tenor of the Reference Rate will be the same as the Coupon Payment frequency you have chosen. For example, if you choose a quarterly Coupon Payment frequency, the Reference Rate will be 3m BBSW or 3m BBSY.

BBSW and BBSY are widely used as Australian Bank Bill interest rate reference rates by investment banks, fund managers and retail banks. They refer to a daily calculation of the yields on bank bills of various maturities. BBSW is based on the average mid-price and BBSY is based on the average bid-price of a select number of Australian bank bill market makers.

For example, on 23rd September 2015, 3m BBSW was set at 2.1850% and 3m BBSY was set at 2.2350%.

Reference Rate	Price	Description
BBSW	Mid	The average mid-rate for Australian Dollar bills of exchange. The mid-price is half way between the average price being offered by purchasers to buy, and the price being offered by vendors to sell.
BBSY	Bid	The average bid price being offered rate for Australian Dollar bills of exchange. The bid price is the average price being offered to buy a particular bill of exchange.

**It is important to understand that BBSW and BBSY are NOT the Reserve Bank of Australia ('RBA') Cash Rate. BBSW and BBSY do not necessarily reflect nor follow movements in the RBA Cash Rate.**

## How is the Fixed Rate determined?

The Fixed Rate takes into account a variety of factors, including:

- the length of the Term;
- prevailing market interest rates;
- market volatility;
- the Coupon Payment frequency;
- whether you are a Payer or a Receiver;
- the Reset Dates and Payment Dates;
- any variation in the Notional Amount during the Term; and
- the Bank's profit margin.

## How much will the Coupon Payments be?

The Fixed Rate Coupon Payments will be:

- calculated using the same Fixed Rate each time; and
- paid in arrears on each Payment Date (in respect of the period since the previous Payment Date, or the Commencement Date, as the case may be).

The Floating Rate Coupon Payments may change each Payment Date. This is because the Floating Rate is variable and is set on each Reset Date for the period until the next Payment Date.

If you choose to vary the Notional Amount during the Term of your IRS, your Coupon Payments for a particular interest rate period will be calculated on the Notional Amount for that interest rate period.

In each case, both your Fixed Rate Coupon Payment and your Floating Rate Coupon Payment can be calculated using the following formula:

$$A = B \times C \times (D/365)$$

Where:

A = your Coupon Payment;

B = your Notional Amount for that period

C = either the Fixed Rate expressed as a percentage, or the Floating Rate expressed as a percentage, as determined on the preceding Reset Date (or the Commencement Date, as the case may be); and

D = the number of days since (but not including) the previous Payment Date, or in the case of the first Payment Date, the number of days since (but not including) the Commencement Date.

Please note that your Coupon Payments will not be compounded and cannot be reinvested in your IRS.

**There is no exchange of Notional Amount – only exchange of Coupon Payments**

Neither party to an IRS agrees to pay over the Notional Amount itself. This is just the nominal reference amount for calculating the Coupon Payments.

**When are Coupon Payments made?**

You can choose the Coupon Payment frequency (monthly, quarterly or semi-annual) to best suit your cash-flow requirements.

- At the beginning of each interest rate period (on each Reset Date), the Floating Rate will be set.
- At the end of each interest rate period (on each Payment Date) the respective Fixed Rate and Floating Rate Coupon Payments will be netted and paid in arrears.

The particular Reset Dates and Payment Dates for your Interest Rate Swap will be set out in your Confirmation.

If you are making a payment, you must do so in clear funds according to the Bank’s instructions. The Bank will make all payments to the bank account, in your name, nominated by you. Alternative arrangements can be made with the Bank’s agreement.

**Can I have a number of different Notional Amounts?**

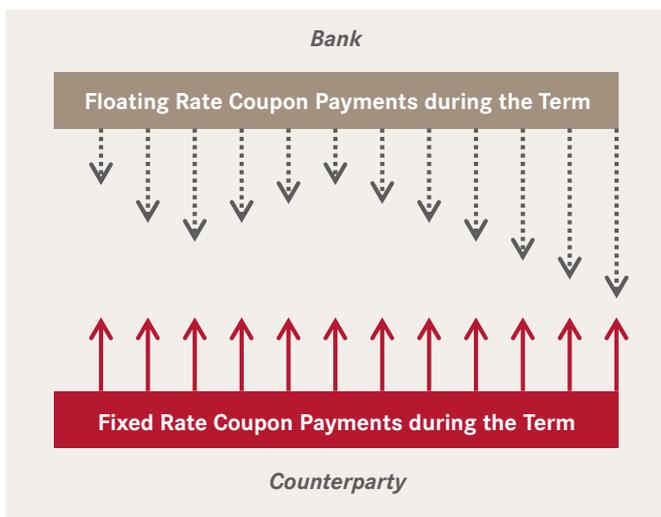
Yes. At inception of the IRS you decide the Notional Amount. You can also decide at that time if you want us to structure your IRS to vary the Notional Amount over the Term depending on your underlying liabilities, interest rate view, hedging and/or cash-flow requirements.

**Payment flow diagrams**

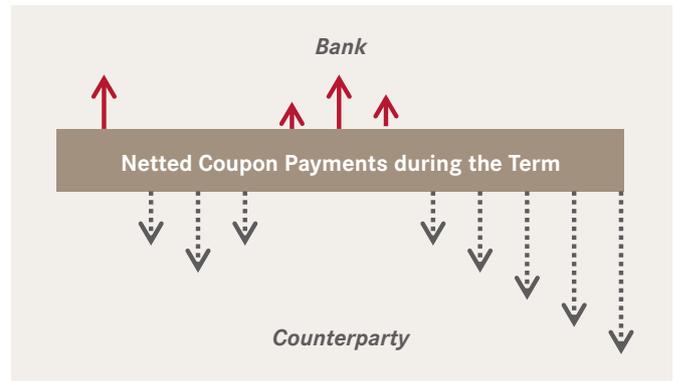
The diagrams used below are for illustrative purposes only and represent the timing and nature of the payments relating to an IRS. The diagrams are not intended to represent the amount of, or variation in, the payment flows.

The diagram below shows an example of the payment flows that occur during the Term of an IRS, assuming the Bank is the Receiver and you (as Counterparty) are the Payer.

The Floating Rate Coupon Payments that are received during the Term will vary in accordance with movements in the Reference Rate.



On each Payment Date, both the Fixed Rate and Floating Rate Coupon Payments are netted as shown in the diagram below. You will receive (or pay) a netted Coupon Payment whenever the Floating Rate is higher (or lower) than the Fixed Rate.

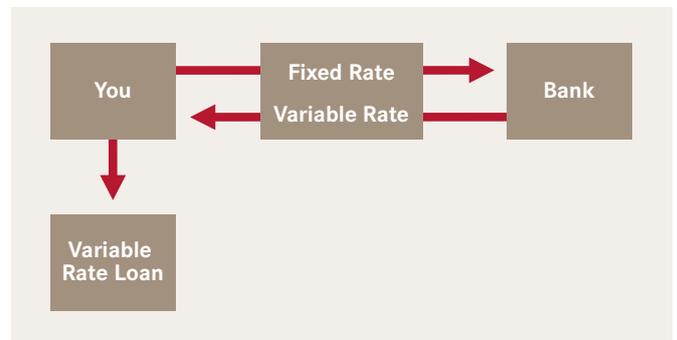


**Calculation Methodology**

The methodology used to calculate the Fixed Coupon Payments and Floating Rate Coupon Payments under an IRS can be either a simple interest in arrears basis or on a discounted or Bank Bill basis.

**Examples**

Consider the following transaction examples. In this case, you wish to seek protection from potentially higher interest rates and agrees to enter into an IRS with the Bank whereby they pay a Fixed Rate to the Bank and in return the Bank pays you a Floating Rate. Simplistically, the direction of the cashflows under the terms of the IRS is outlined below. In this case, your variable rate loan interest rate obligations have been converted to a floating rate to a fixed rate.



## Scenario

The examples below outline the cashflow impacts that may occur under the terms of the IRS for the following scenarios.

Example 1*			
<b>Notional Amount:</b>	AUD \$1,000,000	<b>Notional Basis:</b>	Interest Only
<b>Term:</b>	5 Years	<b>Day Basis:</b>	365
<b>Coupon Reset Frequency</b>	Quarterly	<b>Current Floating Rate</b>	3.50%
<b>Fixed Rate:</b>	4.00%		

<b>Fixed Rate Cashflow</b>	Payable to the Bank $\$1,000,000 * 4.00\% * \frac{90}{365}$ = (\$9,863.01)
<b>Floating Cashflow</b>	Receivable from the Bank $\$1,000,000 * 3.50\% * \frac{90}{365}$ = \$8,630.14
<b>Net Settlement Amount</b>	= (\$9,863.01) + \$8,630.14 = PAY \$1,232.88
<b>Effective cost of funds</b>	= $\left( \frac{\$8,630.14 + \$1,232.88}{\$1,000,000} \right) * \frac{365}{90}$ = 4.00%

Example 2*			
<b>Notional Amount:</b>	AUD \$1,000,000	<b>Notional Basis:</b>	Interest Only
<b>Term:</b>	5 Years	<b>Day Basis:</b>	365
<b>Coupon Reset Frequency</b>	Quarterly	<b>Current Floating Rate</b>	4.50%
<b>Fixed Rate:</b>	4.00%		

<b>Fixed Rate Cashflow</b>	Payable to the Bank $\$1,000,000 * 4.00\% * \frac{90}{365}$ = (\$9,863.01)
<b>Floating Cashflow</b>	Receivable from the Bank $\$1,000,000 * 4.50\% * \frac{90}{365}$ = \$11,095.89
<b>Net Settlement Amount</b>	= (\$9,863.01) + \$11,095.89 = RECEIVE \$1,232.88
<b>Effective cost of funds</b>	= $\left( \frac{\$11,095.89 - \$1,232.88}{\$1,000,000} \right) * \frac{365}{90}$ = 4.00%

\* These examples are provided for illustrative purposes only, and are not intended as a forecast or prediction of the future performance of an IRS, or the amounts or values of the relevant variables.

## Early Termination/Variation

You can terminate or vary your IRS early but there will be a cost to you resulting in a possible early termination or variation payment. You may, however, realise a net benefit depending on the prevailing market conditions upon variation or early termination. With these risks in mind, please consider your circumstances carefully when selecting the terms of your IRS.

## Documentation

You will be required to sign a standard master dealing agreement. The Bank commonly uses either an International Swaps and Derivatives Association ('ISDA') Master Agreement to document interest rate transactions or a Master Agreement for Derivative Transactions. This standard master dealing agreement will govern your trading relationship with us. In particular, it documents the situations in which transactions can be terminated and the way the amount payable following termination is calculated.

You will be provided with a copy of the relevant master dealing agreement and we strongly recommend that you fully consider the terms prior to entering into any transaction. You should obtain independent legal advice if you do not understand any aspect of it.

## Credit Approval

Before entering into any IRS, the Bank will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. The Bank will advise you of the outcome of its review as soon as possible.

## Confirmation

Shortly after entering into an IRS, the Bank will send you a Confirmation outlining the commercial terms of the transaction, including:

- The Notional Amount of your IRS;
- The Commencement Date;
- The Maturity Date;
- The Fixed Rate;
- The Reference Rate;
- Whether you are a Payer or Receiver;
- The Reset and Payment Dates; and
- The variation (if any) of the Notional Amount during the Term.

It is extremely important that you check the Confirmation to make sure that it accurately records the terms of the transaction. If so, please sign and return the Confirmation as directed. In the case of a discrepancy, you will need to raise the matter with your Bank representative as a matter of urgency.

## Privacy

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at [www.westpac.com.au](http://www.westpac.com.au) or by calling 132 032.

It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint; and
- How we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

We will use your personal information to contact you or send you information about other products and services offered by the Bank or its preferred suppliers. Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

In addition to our duties under legislation, we have a general duty of confidentiality towards you, except where disclosure is made in a manner consistent with this PIS.

## Code of Banking Practice

The relevant provisions of the Code of Banking Practice 2004 ('Code') apply if you are an individual or a small business as defined in the Code. It's our commitment to make all the details about your banking as clear as we possibly can.

## Financial Crimes Monitoring

You should be aware that:

- transactions may be delayed, blocked or refused where the Bank has reasonable grounds to believe that they breach Australian law or the law of any other country; and
- where transactions are delayed, blocked, frozen or refused, the Bank is not liable for any loss you may suffer (including consequential loss).

The Bank is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Laws).

In order for the Bank to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into an IRS with the Bank, you agree and provide the following undertakings and agree to indemnify the Bank against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with the Bank under an assumed name;
- any funds used by you to enter into an agreement with the Bank have not been derived from or related to any criminal activities;
- any payments received from the Bank will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle an IRS); and
- you and your IRS with the Bank will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with the Bank from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including the AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, the Bank and other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with an IRS; and
- where legally obliged to do so, we will disclose the information gathered to regulatory and/or law enforcement agencies and we may also disclose the information gathered to other banks, other members of the Westpac Group, service providers or to other third parties.

## Our reporting obligations under FATCA

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer (director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative) of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone us on 1300 658 194 at the time of entering into an IRS. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which the IRS relates.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, entering into an IRS with us constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after entering into an IRS information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the IRS.

## Telephone Conversations

The terms of an IRS are usually agreed verbally over the phone or electronically over an on-line system. Once we have reached an agreement, both you and the Bank are bound by the terms of the IRS.

Conversations with our dealing room and settlements departments are recorded. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited period and are usually used where there is a dispute and for staff training and monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

## Dispute Resolution

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us.

We've put in place ways of dealing with your issues quickly and fairly.

## Please talk to us first

We aim to resolve your complaint at your first point of contact with us. Our contact details are set below:

## Interest Rate Pricing and Structuring Desk

Address: Level 2, 275 Kent St  
Sydney NSW 2000

Phone: (02) 8204 2821

Email: [cmmirsales@westpac.com.au](mailto:cmmirsales@westpac.com.au)

## What to do if you are still unhappy

If we still haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10999 and the contact details are:

## Financial Ombudsman Service Limited

Address: GPO Box 3  
Melbourne VIC 3001

Phone: 1800 367 287

Fax: (03) 9613 6399

Internet: [www.fos.org.au](http://www.fos.org.au)

Email: [info@fos.org.au](mailto:info@fos.org.au)

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a freecall Infoline on 1300 300 630 or visit [www.asic.gov.au](http://www.asic.gov.au)

## Glossary

**Bank** refers to Westpac Banking Corporation ABN 33 007 457 141 Australian Financial Services Licence No. 233714, and includes references to 'we', 'our' and 'us' and means Westpac and its related bodies corporate.

**Bank Bill** is a Bill of Exchange as defined in the Bills of Exchange Act 1909 (Commonwealth) which is, or is taken to be, accepted under a Bank Bill facility (whether or not it physically exists).

**BBSW** means the Australian Bank Bill Swap Rate, being the average mid-rate for Australian Dollar bills of exchanges having various tenors which appear on the Reuters Screen BBSW Page at approximately 10:10am Sydney time on the relevant Payment Date. If such a rate does not appear, then a rate will be determined by the Bank, acting in good faith and in a commercially reasonable manner. You can see the current BBSW in the Market Data section of the website of the Australian Financial Markets Association located at [www.afma.com.au](http://www.afma.com.au).

**BBSY** means the Australian Bank Bill Swap Bid Rate, being the average bid rate for Australian Dollar bills of exchange having various tenors which appear on the Reuters Screen BBSY Page at approximately 10:10am Sydney time on the relevant Payment Date. If such a rate does not appear, then a rate will be determined by the Bank, acting in good faith and in a commercially reasonable manner. You can see the current BBSW in the Market Data section of the website of the Australian Financial Markets Association located at [www.afma.com.au](http://www.afma.com.au).

**Calculation Period** refers to the number of days in the relevant period from one Reset Date until the next Reset Date.

**Commencement Date** means the date on which your IRS commences. This will be referred to as the 'Effective Date' in your confirmation.

**Confirmation** means the document issued to you by the Bank following receipt (and subject to acceptance) of your completed Documentation and Credit approval.

**Coupon Payment** means the net payment made on each Payment Date in respect of the Notional Amount. Designated Maturity refers to the designated term the Reference Rate used in your IRS.

**Fixed Rate** means the fixed interest rate applying to your Notional Amount during the Term.

**Floating Rate** means the floating or variable interest rate applying to your Notional Amount during the Term, expressed as a percentage and based on the Reference Rate.

**Floating Rate Option** means the ISDA term for either BBSW or BBSY.

**ISDA** stands for International Swaps and Derivatives Association and is a shorthand reference to the ISDA Master Agreement, one of the two standard master dealing agreements used to document your IRS.

**Master Agreement** means the Master Agreement for Derivative Transactions, one of the two standard agreements used to document your IRS.

**Maturity Date** means the date on which your IRS expires. This will be referred to as the Termination Date in your Confirmation.

**Notional Amount** means the amount left at the beginning of each coupon period during the Term and on which the Fixed Rate Coupon Payments and Floating Rate Coupon Payments are calculated. The Notional Amount does not have to be a fixed amount for the full Term, it can vary over the Term.

**Payer** refers to the payer of the Fixed Rate.

**Payment Date** refers to each date on which a Coupon Payment will be made by us in respect of your Notional Amount. The specific Payment Dates applying to your IRS will be specified in your Confirmation. If a Payment Date does not fall on a business day, the payment will be processed on the following business day.

**PIS** means Product Information Statement.

**Reference Rate** means the Australian Bank Bill Swap Rate with a Designated Maturity of one month (1m BBSW), three month (3m BBSW) or six months (6m BBSW), or the Australian Bank Bill Swap Bid Rate with a Designated Maturity of one month (1m BBSY), three months (3m BBSY) or six months (6m BBSY).

**Receiver** refers to the receiver of the Fixed Rate.

**Reset Date** refers to each date on which the Floating Rate is set. The specific Reset Dates applying to your IRS will be specified in your Confirmation. If a Reset Date does not fall on a business day, the Floating Rate will be set on the following business day.

**Term** means the period between the Commencement Date and the Maturity Date.

**Transaction Date** means the original date that the contract was entered into.

