[Company Letterhead]

[Date]

[Recipient Name]
[Recipient Title]
[Bank or Financial Institution Name]
[Address]

Subject: Letter of Assurance - Foreign Exchange Exposure of [Subsidiary Name]

Dear [Recipient Name],

This Letter of Assurance is provided by [Parent Company Name] in relation to the foreign exchange (FX) exposure and related hedging activities of our subsidiary, [Subsidiary Name], located in [Subsidiary Country].

We hereby confirm and assure the following:

1. **Corporate Oversight:** [Parent Company Name] maintains direct oversight of the treasury operations and risk management policies of [Subsidiary Name].

2. **Authorization:** [Subsidiary Name] is fully authorized to enter into foreign exchange contracts, including forwards, spots, and derivatives, to manage its operational currency risks.

3. **Financial Support:** [Parent Company Name] acknowledges the financial obligations arising from these FX exposures. We commit to ensuring that [Subsidiary Name] maintains sufficient liquidity to meet all settlement obligations and margin calls related to its foreign exchange transactions.

4. **Internal Compliance:** All FX activities conducted by the subsidiary are in compliance with our group-wide risk management mandate, which limits exposure to [Percentage]% of total projected cash flows.

5. **Reporting:** We confirm that the underlying commercial transactions justifying these FX hedges are valid and documented in accordance with local and international accounting standards.

This assurance remains in effect until [Expiry Date] or until written notice of revocation is provided.

Sincerely,

[Signature]
[Name of Authorized Signatory]

[Title, e.g., Group Treasurer / CFO]
[Parent Company Name]