

# Hedging Agreement for Currency Risk Mitigation

From:

[Your Company Name]

[Your Company Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

Date: [Date]

To:

[Recipient Name]

[Recipient Company Name]

[Recipient Company Address]

[City, State, Zip Code]

## **Subject: Hedging Agreement for Currency Risk Mitigation**

Dear [Recipient Name],

We are writing to formalize the hedging agreement between [Your Company Name] and [Recipient Company Name] to mitigate currency risk associated with [specific transaction or exposure description].

Scope of Agreement:

- Currency Pair: [e.g., USD/EUR]
- Notional Amount: [e.g., \$1,000,000]
- Hedging Instrument: [e.g., Forward Contract, Options]
- Effective Date: [Date]
- Maturity Date: [Date]

Terms and Conditions:

1. Both parties agree to engage in the aforementioned hedging activities as outlined in this agreement.
2. Each party shall bear its respective costs associated with this agreement.
3. This agreement is subject to the governing laws of [specify jurisdiction].

If you agree to these terms, please sign below and return a copy of this letter.

Sincerely,

[Your Name]

[Your Job Title]

[Your Company Name]

## **Acceptance**

By signing below, [Recipient Company Name] agrees to the terms of this hedging agreement:

\_\_\_\_\_

[Recipient Name]

[Recipient Job Title]

Date: \_\_\_\_\_