Swap Transaction General Disclosure Statement of Cargill Risk Management

I. INTRODUCTION

We, Cargill, Incorporated, by and through our Cargill Risk Management Business Unit, are providing you with this Swap Transaction General Disclosure Statement ("***General Disclosure Statement***"), which describes generally: (1) the material characteristics of a wide variety of Transactions (as defined below) that we may conduct with you; (2) the material risks of such Transactions; and (3) typical material incentives and conflicts of interest that we may have with respect to such Transactions. These Transactions may relate to Underliers (as defined below) related to one or more of the following classes of reference assets: commodities, foreign exchange rates and currencies. In addition, we may provide you with additional disclosure statements to supplement the transaction-specific information. This General Disclosure Statement should be read in conjunction with such disclosures.

Please note that Transactions may give rise to significant risks and are intended primarily for knowledgeable and sophisticated parties willing to accept such risks and able to absorb the losses that may arise. Therefore, you should understand these risks before entering into any Transactions.

In this General Disclosure Statement and any supplemental disclosure statement that expressly refers to this General Disclosure Statement:

- "we", "our", "ours", and "us" refer to Cargill, Incorporated, by and through its Cargill Risk Management Business Unit, and each affiliate that may conduct Transactions with you, except that for purposes of Section IV only, such terms include all of our affiliates;
- "you", "your" and "yours" refer to each of the persons to which this General Disclosure Statement is delivered, addressed, or responded by, for purposes of entering into, executing or agreeing upon the terms of Transactions with us, as indicated in any written or electronic transmittal of the same;
- "Swap" means a swap, foreign exchange swap, or foreign exchange forward (each as defined in Section 1a of the Commodity Exchange Act and rules thereunder);
- "Transaction" means a transaction entered into, executed or agreed between us and you that in any such case is a Swap;
- "Underlier" means any rate (including interest and foreign exchange rates), currency, commodity, security, instrument of indebtedness, index, quantitative measure, occurrence or nonoccurrence of an event, or other financial or economic interest, or property of any kind, or any interest therein or based on the value thereof, in or by reference to which any payment or delivery under a Transaction is to be made or determined;
- the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; and
- the phrase "otherwise agreed" shall be deemed to be followed by the phrase "expressly in writing".

We are providing this General Disclosure Statement and any applicable related supplemental disclosure statements pursuant to certain rules of the Commodity Futures Trading Commission ("***CFTC***") that relate to Swaps. You should not construe the content or our disclosure of this General Disclosure Statement as legal, financial, tax, accounting or other advice. You should consult your own attorney, financial advisor, tax advisor or accountant concerning any Transactions and you should conduct a thorough and independent evaluation of the terms of the Transaction in light of your particular circumstances and the nature and extent of your exposure to risk.

NOTHING IN THIS GENERAL DISCLOSURE STATEMENT AMENDS OR SUPERSEDES THE EXPRESS TERMS OF ANY TRANSACTION BETWEEN US AND YOU OR ANY RELATED GOVERNING DOCUMENTATION.

II. GENERAL CHARACTERISTICS

A. Arm’s length contractual counterparty

We are acting in the capacity of an arm’s length contractual counterparty to you in connection with the Transaction and do not undertake to act as your financial or other advisor, (including a “municipal advisor” within the meaning of Section 15B of the Securities Exchange Act), agent, representative, or fiduciary. Specifically, you should:

- not regard any Transaction proposals, suggestions or other written or oral communications from us as advice or a recommendation or otherwise as expressing our view as to whether a Transaction is appropriate for you or meets your financial or other objectives;
- determine whether you have the necessary information to understand the terms and risks of a Transaction and the legal, tax and accounting requirements and results of entering into the Transaction; and
- assume we have an economic incentive to be a counterparty to any Transaction with you.

It is your responsibility to consult appropriate advisors as needed to evaluate and understand the terms, risks, or requirements of a Transaction.

B. You should review carefully each Transaction’s particular structure, including terms incorporated by reference

The Transactions result from agreements between two “counterparties” and generally involve an exchange or a series of exchanges of payments or deliveries, which may be calculated by reference to a notional or principal amount or quantity and a price, value, level or rate of return of one or more Underliers. The Transactions may be structured in various forms including, but not limited to, forwards, Swaps, options (including so-called vanilla and customized options), swaptions, caps, floors, collars or variations of these components, as well as combinations of these components. There is risk associated with each component of a multi-component Transaction, as well as with the Transaction as a whole.

The confirmation or other communication evidencing a Transaction, or a governing master agreement, may incorporate by reference various product definitions, master confirmations or other supplemental terms. In the case of Transactions executed between us and you that are accepted for clearing (“***cleared Transactions***”), the rules, by-laws and procedures of the clearinghouse will govern the cleared Transaction and define its terms. Before entering into any Transaction, you should obtain and review carefully any materials incorporated by reference into the governing documents and, in the case of cleared Transactions, the applicable clearinghouse rules, by-laws and procedures.

C. Transactions generally involve a variety of risks

The specific risks presented by a particular Transaction necessarily depend upon the terms of the Transaction and your circumstances. In general, all Transactions involve one or more of the following risks: credit, market, liquidity, funding, operational, legal and documentation, regulatory and/or tax risks. These risks are discussed below in Section III of this General Disclosure Statement.

D. Value of the Transactions is derived from one or more Underliers and other market and economic factors

Depending upon the nature of the Transactions, payments and/or deliveries under the Transactions may be calculated by reference to one or more Underliers and may arise upon the occurrence of certain events or circumstances, the satisfaction of certain conditions, or the exercise of certain rights. A Transaction's value may depend on prices, values, or levels of the Underliers and other market and economic factors discussed in greater detail in Section III below. Before entering into any Transaction, you should review publicly available information regarding the market characteristics and risks pertaining to the relevant Underliers, review the disclosures that we have provided, and, if appropriate, consult advisors with specific expertise regarding the markets for such Underliers and the Transaction.

1. Past Performance

It is not possible to predict the future performance of an Underlier based on historical performance. How the Underlier performs over the term of a Transaction may bear no relation to the historical performance of the Underlier. The source or method of determining the price, value, or level of the Underlier may also be subject to change during the term of a Transaction as set forth in the governing documentation.

2. Different Currencies

For certain Transactions, the prices, values, or levels of the Underliers may be denominated in currencies other than the settlement or payment currency and may be converted for purposes of determining payments or deliveries to be made under the Transactions. This can create exposure to currency exchange rate risk with respect to each of the currencies in which an Underlier or obligation is denominated.

3. Changes in the components of baskets or indices

If the Underlier for a Transaction involves multiple Underliers (referred to as a "***basket***" or "***index***"), the negative performance of one or more components of the basket or index may negate any positive performance of other components. For example, while the prices, values, or levels of some components may increase over the term of the Transaction, the prices, values, or levels of other components may not increase during the term of the Transaction as much or may even decline.

E. Entering into a Transaction is not the same as owning the Underlier

Unless specifically provided for in the terms of a Transaction or governing documentation, a Transaction will not confer ownership rights in any Underlier.

F. The economic return of a Transaction may not be the same as the return from the Underlier

The mathematical relationship between the payments and deliveries under a Transaction and the price, level or value of the Underliers will be specified under each Transaction or its governing documentation, and in general there is no reason to expect that the return from entering into the Transaction will resemble that of an investment in the Underlier. Accordingly, changes in prices, values or levels of an Underlier may not result in a comparable payment or delivery under, or change in the value of the corresponding Transaction.

G. No assurance of Transactions providing you with a desired return or result

Unless the terms of the Transaction expressly guarantee a stated return, there is no assurance that a Transaction will provide you with a positive or anticipated return or achieve your objectives. It is impossible to predict whether and the extent to which the Underliers relevant to a particular Transaction will rise or fall. The levels or performance of relevant Underliers may be influenced by complex and interrelated political, economic, financial and other factors.

H. No assurance of Transactions achieving your desired hedging objectives

In some cases, you may enter into Transactions to hedge, reduce or otherwise manage price or other risks to which you or your affiliates are exposed through owning an asset, owing a liability or being a party to other transactions or anticipated transactions. There may be imperfect correlation (sometimes referred to as "***basis risk***") between changes in the value of a Transaction and the particular exposures you wish to hedge, and the amount of basis risk may increase over time. You may also be exposed to risk as a result of differences in legal documentation between a Transaction and the particular exposure you wish to hedge, including differences in how the Underlier is defined under the hedged item and the definition applicable to the Transaction, or as a result of differences in the dates or times as of which prices, values or levels are to be determined for the hedged item versus the Transaction.

In addition, the notional amount of a Transaction may not remain matched to the amount of exposure you wish to hedge. Unless expressly provided for in the terms of a Transaction, we have no obligation to terminate or modify any Transaction in response to such changes in your circumstances or to accommodate your hedging strategies or needs.

Hedging entails economic costs reflected in the pricing of Transactions, which can be significant. Although a hedge Transaction may be structured such that no upfront purchase price is payable, you should understand that potential amounts could become payable for modifying the Transaction or terminating it early, depending upon then existing market conditions, as described in this General Disclosure Statement. So-called "zero cost" or "reduced premium" hedges may contain embedded options granted by you. Losses from such embedded options may be substantial and potentially unlimited and may not be matched by realizable gains from the exposures that you intended to hedge.

I. Termination of Transactions

Under the relevant governing documents, a Transaction and potentially the entire relationship between us and you may be subject to early termination in the event of default or termination events. Certain Transactions may also be subject to early termination upon the occurrence of extraordinary events specified in the terms of such Transactions or governing documents, or may provide an optional early termination right for one or both of the parties. An event giving rise to a right of termination may be outside your control and may occur at a time when the price, level, or value of the Underlier, or the value of the

Transaction otherwise, requires you to pay a substantial termination payment. You may owe this termination payment even if we are the defaulting party. Additionally, if the Transaction terminates early, substitute arrangements for the Transaction could require additional costs or may not be possible.

If one of those events occurs or we are otherwise entitled to terminate the Transaction, we have no obligation to consider your interests with respect to Transaction termination. It is possible that volatile, illiquid or other abnormal market conditions are present at the time of Termination.

If we are the party determining an early termination amount, we, in our judgment, may take into account, subject to the terms of the Transaction and other governing documentation, our creditworthiness, funding costs, hedging or hedge unwind costs, loss of bargain, relevant documentation terms, market data from internal sources and other factors. Termination amounts could differ from daily marks or values used for collateral delivery purposes.

J. General characteristics of variance-linked transactions

Variance is generally a measure of how widely dispersed the data points in a given data set are around their mean, or average, or around an assumed mean. The variance of the data points in a given data set is generally calculated by:

(i) calculating the mean of the data points;
(ii) determining by how much each single data point deviates from that mean;
(iii) squaring that deviation in order to treat positive and negative deviations the same;
(iv) calculating the sum of all the squared deviations; and
(v) dividing that sum by the number of data points.

The result is the average squared deviation from the mean, which seeks to express, in a single number, the degree of variability of the data points in the applicable data set.

Under the terms of a variance-linked Transaction, variance will typically be calculated in a manner that is generally consistent with the description above, but with such specific terms and modifications as are specified for purposes of that Transaction. Because different variance-linked Transactions define variance in different ways, it is important to review and understand the manner in which variance is calculated under a particular variance-linked Transaction before entering into it.

A formula for the calculation of variance in a variance-linked Transaction will typically have the following components:

- *Specification of the data points to be observed.* The terms of the variance-linked Transaction will specify the price, level, rate or other value (collectively, the "**price**") of the Underlier on which the variance calculation will be based, such as a rate, asset or index. You should be aware of several technical factors that may affect the price of the Underlier on any given observation date and, therefore, may affect the calculated variance:
    - Under the terms of certain variance-linked Transactions, if a disruption event (as defined under those terms) occurs on a date on which the price is to be observed, any published price may be disregarded and the calculation agent may have discretion to determine the price on that date. Any price so determined will be taken into account in the calculation of variance. If we are the calculation agent, we will have no obligation to take your interests into account in making that determination.
    - The Underlier may change over the term of the variance-linked Transaction in a way that affects its variance. For example, if the Underlier is an index, the index may be reconstituted periodically, which may result in new constituents with different variance characteristics than the original constituents of the index.
    - The publisher of the price may change the manner in which it calculates the price, and that change may tend to increase or decrease the variance of the price.
    - If the Underlier is traded on an exchange or other market, the exchange or market may impose price limits, which would tend to reduce variance if those price limits are reached.
    - For certain Underliers or types of Underliers, there may be additional adjustments or events that could affect the calculation of variance or the prices used to calculate variance.

- *Observation period.* The variance of the Underlier will be measured at the specified observation intervals over a specified observation period. Relatively shorter observation periods and relatively longer observation periods each present their own risks. In general, a shorter observation period is more sensitive to the effects of sudden market shocks and the "volatility clustering" phenomenon, which is the tendency of days with unusually high percentage changes from the prior day to occur together, and vice versa. These sudden changes may have a significant effect on variance over a short-term period but may tend to be smoothed out over a longer period. While a longer period is less sensitive to short-term shocks, a longer period is subject to the greater uncertainty associated with a longer future time horizon and the greater potential for significant events that are unforeseeable at the time of entering into the variance-linked Transaction.

- *Observation interval.* The terms of the variance-linked Transaction will specify how frequently the price of the Underlier will be observed for purposes of the variance calculation. Daily observations are common, but the price may be observed weekly, monthly or with some other frequency. The variance of a given Underlier over a given observation period will likely differ, perhaps significantly, depending on the interval at which the price is observed.

- *Return.* Variance is typically calculated not by reference to the change in the absolute price of the Underlier, but rather by reference to the percentage change in the price over the relevant observation interval. This percentage change is typically expressed as a "log return," which is calculated by applying the natural logarithm function to the ratio of one observed price to the prior observed price, rather than as a "simple return," which is simply the percentage change from one observed price to the next. Although the log return and the simple return are similar for small changes from one observed price to the next, they will diverge from each other to a greater degree the greater the change. The log return is always less than the simple return. In the case of an increase from one observed price to the next, this means that, other relevant variables being constant, the log return would result in a lower variance than the simple return. In the case of a decrease from one observed price to the next, other relevant variables being constant, the log return would result in a greater variance than the simple return, because the lower log return would be more negative and, when squared, would produce a greater number than the square of the greater (but less negative) simple return.

- *Variability around actual or assumed mean.* Under many variance-linked Transactions, variance is calculated based on the variability of returns around an assumed mean of zero, rather than around the actual mean of the returns. If variance is calculated for a particular variance-linked Transaction based on the average of squared log returns rather than the average of the squared deviation of each log return from the mean of log returns, then variance is being calculated with an assumed mean of zero.

  If the actual mean of returns differs from zero, that may have a significant effect on the calculation of variance. Calculating variance with an assumed mean of zero will tend to produce a greater variance than if the actual mean were used— the more so the greater the difference between zero and the actual mean. If markets trend steadily in one direction or another, there is likely to be a difference between zero and the actual mean, and that difference will be greater the more steady and the more pronounced the trend. For example, a steady 1% daily increase in an Underlier price would result in an average deviation of 1% from an assumed mean of zero, but in an average deviation from the actual mean (which would be 1%) of 0%. Variance-linked Transactions with shorter observation periods are more likely to display a divergence of the actual mean from zero.

- *Average.* As discussed above, variance is the average of squared deviations from an actual or assumed mean. The average is calculated by dividing the sum of the squared deviations by a number commonly referred to under the terms of a variance-linked Transaction as "N" (or "N - 1"), which typically represents the expected number of observations that will occur over the observation period but may be a different number negotiated by the parties to the variance-linked Transaction. The terms of a variance-linked Transaction will specify whether an adjustment is made to N in the event of a disruption event.

  - Under certain variance-linked Transactions, N will not be adjusted if the actual number of observations turns out to be less than N (or N - 1, as applicable) as a result of disruption events that cause the price of the Underlier to be unavailable or otherwise disregarded for a given observation day. Instead, the price of the Underlier on the disrupted day may be assumed to be the same as it was on the previous non-disrupted day. This approach to disrupted days will tend to smooth returns and therefore reduce variance. Prolonged price disruptions may lead to a significant reduction in variance.

- Under certain other variance-linked Transactions, if a disrupted day occurs, that day will be disregarded for purposes of the variance calculation and N will be reduced by 1. This approach to disrupted days may also affect the variance calculation, tending to reduce variance in circumstances where a significant decline on a disrupted day is followed by a recovery on the next non-disrupted day, and tending to increase variance where a significant decline on a disrupted day is followed by another significant decline on the next non-disrupted day.

- *Annualization.* Variance is typically expressed on an annualized basis. This is achieved by multiplying the average variance over the applicable observation interval by an annualization factor that represents the number of such observation intervals expected to occur in one year, or that is otherwise negotiated by the parties to the variance-linked Transaction.

Variance risk may arise from many types of transactions, including Transactions referencing equities, credit, commodities, rates and foreign currencies. If your objective in entering into a variance-linked Transaction is to hedge other exposure that you have to variance risk, you should carefully compare the components of the formula for calculating variance under the variance-linked Transaction to the relevant characteristics of your other exposure. You should also be aware that otherwise similar variance-linked Transactions may use formulas for calculating variance that differ in material respects.

To the extent there are differences between variance as calculated under a variance-linked Transaction and the variance risk that you seek to hedge, the effectiveness of the variance-linked Transaction for your hedging purpose may be limited. Furthermore, there can be no assurance that prior observed relationships, if any, between variance and your other exposure will continue.

The square root of variance is referred to as "volatility," and variance is therefore equal to volatility squared. Because variance is volatility squared, the payoff on a variance-linked Transaction is a "convex" function of volatility. This means that a variance seller will experience accelerating losses the more volatility increases, and diminishing gains the more volatility decreases. If you are a variance seller, you will be exposed to the risks of convexity. In a time of a significant increase in volatility, a variance seller may be exposed to losses under a variance-linked Transaction that are disproportionate to the increase in volatility.

At any time during the term of a variance-linked Transaction, its value will reflect the actual realized variance up to that time and an expectation about variance over the remaining term of the variance-linked Transaction, which may be determined based on the variance implied in the price of market-traded instruments referencing the applicable Underlier at that time. The value of a variance-linked Transaction will also be affected by the extent to which implied variance in out-of-the-money options on the Underlier differs from implied variance in at-the-money options on the Underlier, which is commonly referred to as "skew." In general, a greater skew will tend to increase the value of a variance-linked Transaction to a variance buyer, and a smaller skew will tend to increase the value of a variance-linked Transaction to a variance seller, and vice versa.

When we calculate the value of a variance-linked Transaction, our determination of implied variance may depend significantly on the methodologies and assumptions we use, and different parties using different methodologies or different assumptions may generate different values for the variance-linked Transaction. When we calculate the value of a variance-linked Transaction for any purpose, including in the event of early termination of a variance-linked Transaction, our interests will be adverse to yours.

An important characteristic of the variance of an index or basket is that it will be determined not only by the variance of each of the underlying components of the index or basket, but also by the correlation among those components. Unless the individual components of an index or basket are perfectly correlated with each other, their fluctuations will tend to cancel each other out to a greater or lesser degree in the calculation of the level of the index or basket. In general, the variance of the level of an index or basket will be less than the average variance of its underlying components, and the more so the less correlated those components are.

III. MATERIAL RISKS

A. Transactions are subject to market risk

Market risk is the risk that the Transaction's value will be adversely affected by fluctuations in the level or volatility of, or correlation or relationship between, one or more market prices, rates or indices or other market factors, or by illiquidity in the market for the Transaction or in a related market.

Depending on the terms of a specific Transaction, its value may be affected by multiple factors in addition to the prices, values, or levels of the Underliers. In general, the amount that other market participants may be willing to pay or receive to acquire and assume exposure to the cash flows and rights under a Transaction depends in part on market conditions and prices, values and levels for comparable Transactions prevailing at the time of valuation. Transactions with option-like payouts will generally be affected by the volatility of the price or level of the Underlier, which volatility is also subject to changing market conditions. The value of a portfolio of Transactions will depend on the interaction of multiple factors, including cash or collateral flows under related credit support arrangements.

In addition to prices, values, or levels of the Underliers, factors that may affect the value of a Transaction (and, in some cases, the value of the Underlier itself) include:

- actual and/or expected implied volatilities in the prices, values, or levels of the Underliers;
- correlation of the prices, values, or levels of the Underliers;
- market interest rates, currency exchange rates, forward rates and yield and forward price curves;
- liquidity in the markets for Transactions and Underliers or in related markets;
- the remaining term of the Transaction;
- optionality that a party has under the terms of a Transaction;
- the terms of collateral or other credit support arrangements;
- actions of government, regulatory and taxation authorities; and
- our creditworthiness or your creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in a party's credit ratings or changes in other credit measures.

The market risk of a Transaction may be accentuated by complex payout calculations or other features. Such features include leverage, multipliers, option-like payouts, non-linear dependence on an underlying price, value, or level, or dependence on the path of an underlying price, value, or level. Transactions with such features may include caps, collars, floors, exotic options, Transactions with knock-in or knock-out rights, or range accrual swaps and options.

B. Transactions involve liquidity risk

Liquidity risk is the risk that a party may be unable to, or cannot easily, unwind or transfer a particular position in a timely manner at or near the previous market price or at all. Liquidity risk may vary greatly depending upon the terms of the Transaction, including, for example, notional amounts, rates, collateralization, highly customized features and other market sensitive terms.

Even though market-makers and dealers may quote prices or terms for entering into or terminating particular Transactions and provide indicative prices or mid-market valuations for outstanding Transactions, there can be no assurance that another dealer will be available and willing to accept as transferee your rights and obligations under any Transaction between us and you, or that we would consent to such transfer.

C. Engaging in Transactions may subject you to funding risk

Funding risk is the risk that, as a result of the unpredictability of payment or delivery obligations or margin (collateral) requirements under Transactions, or mismatches or delays in the timing of cash flows due from or to a party pursuant to Transactions or related hedging, trading, collateral or other transactions or activities, a party may not have adequate cash available to fund current obligations.

For example, if you are required to post margin (collateral) and the market moves against your position or the required level of margin is increased by us or, in the case of a cleared Transaction by a clearinghouse or your clearing broker, you could be called upon to deposit additional margin (collateral) within applicable notice periods in order to maintain your position. If you do not make a required payment or delivery under a Transaction or provide the additional required funds to meet a margin call within the prescribed time (taking into account any applicable notice requirements and grace periods), the documentation governing your Transaction may provide that the Transaction and possibly your entire relationship with us may be terminated, potentially requiring a termination payment by you.

D. Credit risk of named counterparty (and any applicable guarantors or credit support providers), prime broker, clearing broker or clearinghouse

Credit risk is the risk that a party to a Transaction, or if applicable a party's guarantor or credit support provider, will fail to perform its obligations when due.

With respect to cleared Transactions, unless you are a clearing member of the clearinghouse, you will have exposure to the credit and operational risks of your clearing broker and the clearinghouse. Applicable law and clearinghouse rules may afford some protection from the credit and possible operational risks of your clearing broker for funds that you have deposited or earned with respect to cleared Transactions.

E. Collateral delivered to a third party custodian is subject to that custodian's credit and operational risk

If you or any guarantor or credit support provider delivers collateral in connection with the Transactions that is held in an account at a third-party custodian, the return of such collateral is subject to the credit and operational risks of that third-party custodian. A third-party custodian's default in its obligations to return that collateral when due could result in you suffering substantial economic losses.

F. Operational risks related to Transactions may result in losses

Operational risk is the risk of loss to a party arising from inadequacies in, or failures of, processes, procedures, systems and/or controls for conducting Transactions, including: (i) recording, monitoring and quantifying the risks and contractual obligations associated with Transactions; (ii) recording and valuing Transactions and related transactions; (iii) making payments or deliveries; (iv) exercising rights before they expire, including option exercise rights, in a manner that complies with the terms of the relevant Transactions; (v) meeting regulatory filing, reporting and other requirements; or (vi) detecting human error or systems failures, including disaster recovery procedures. Losses from operational risks can be substantial, including the loss of the entire value of a Transaction.

G. Transactions may involve legal and documentation risks

Legal and documentation risks include the risks that Transactions or related arrangements may not be legally enforceable, or that their documentation does not correctly reflect a party's understanding. As a result, disputes could arise as to the enforceability or interpretation of the terms of the Transactions. Legal risks also include the risks that Transactions, or activities associated with Transactions, conflict with or violate applicable law (including bankruptcy laws) or the provisions of other contracts or instruments, potentially subjecting a party to lawsuits, regulatory proceedings, legal or equitable remedies and/or sanctions.

In the event that we become subject to an insolvency proceeding, the laws governing the insolvency proceeding will likely impact your rights, obligations, remedies and claims under the Transactions. Although applicable insolvency laws may contain protections for certain contractual rights with respect to qualifying financial contracts, the consequences of our insolvency for you will depend on various factors, including our and your regulatory status, specific applicable law, the characteristics of the Transactions, the terms of any master agreements and credit support arrangements governing the Transactions, the manner in which a court or bankruptcy official exercises its statutory or equitable powers (including, where applicable, to assign or repudiate contracts), and the existence in some jurisdictions or regulatory regimes of mandatory waiting periods to allow contracts to be transferred or assumed before termination rights may be exercised.

The protections, if any, afforded to Transactions and to collateral that you have delivered to us in connection with uncleared Transactions differ from those applicable to transactions cleared on a derivatives clearing organization or other clearinghouse. In particular, you should be aware that if the governing documentation permits us to re-use or rehypothecate collateral that you have delivered to us to secure your obligations under the uncleared Transactions, you may lose your proprietary interest in the collateral and have only an unsecured claim for the return of the collateral value remaining after its application to satisfy your obligations to us. Unless otherwise provided by law, you should assume that delivered cash and other collateral are not insured by any government or governmental agency (including the Federal Deposit Insurance Corporation).

H. It may be difficult or impossible to establish the value of a Transaction

The price and characteristics of a Transaction are individually negotiated between the parties. Because Transactions may not be standardized or publicly traded, their value at any time may not be precisely ascertainable or even well defined. Our pricing models may differ from those of other dealers and may arrive at different values. Our pricing models contain proprietary features which we are not required to share with you. We make no representations or warranties regarding the accuracy of information from third party sources. Reported prices for similar transactions, even if they are available, may not be directly comparable due to differences in transaction size, credit or collateral terms or other particular features that may not be ascertainable from the information reported. Consequently, it may be difficult for you to establish an independent value for an outstanding Transaction.

You should not regard the daily mark or any other indicative quotation that we provide to you to be an offer to enter into or terminate the relevant Transaction at that value or price, unless we identify that value or price as firm or binding with respect to a specific quantity or notional amount of the Transaction. Indicative valuations that we provide to you may differ from those used to determine your collateral or margin delivery obligations or from the prices at which we record Transactions on our books and records. We make no representations or warranties that any such prices, values or valuations are suitable for complying with any financial or tax reporting obligation, determining net asset value, computing any tax liability or any other purpose. Rather these are matters which you should discuss with your own financial, legal, tax, accounting and other professional advisors and we disclaim any liability for any such use or reliance thereon, whether losses or damages are direct, indirect, incidental or consequential, even if we are advised of their possibility.

We make no representations or warranties to you that the prices at which we offer or value Transactions are the best prices available in the marketplace. You may wish to seek representative quotations from other participants in the relevant market to compare prices or to determine the intrinsic or current market value of a particular Transaction.

I. Option Transactions present special considerations

Under a conventional cash-settled option, the option purchaser pays a premium for the right to receive, (i) in the case of a call option, the excess, if any, of the reference price or value of the Underlier (as determined pursuant to the terms of the option) above the option's strike price or (ii) in the case of a put option, the excess, if any, of the option's strike price above the reference price or value of the Underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the Underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the Underlier at the strike price.

When you purchase an option, you may suffer a total loss of premium. Before entering into an option, you should make sure that you fully understand the method, conditions and timing requirements for exercising the option.

If you enter into a physically settled commodity option, you must have the operational capabilities to make or take delivery of the Underlier in accordance with the terms of the commodity option and you should be thoroughly familiar with delivery practices, procedures, customs and usages of the physical market and the governing contractual provisions, laws and regulations.

The "style" of an option refers generally to when the option is exercisable or to the times at which the price or value of the Underlier will affect the option's payout. Examples include:

- An *American-style* option may be exercised at any time (i.e., on any business day as defined in the relevant documentation) during the specified exercise period prior to the time of expiration.

- A *European-style* option may be exercised only on the specified exercise date(s) (or expiration date) prior to the expiration time.

- A *Bermudan-style* option may be exercised on the specified exercise date(s) (or expiration date) prior to the expiration time and on a discrete number of specified prior dates.

- An *Asian-style* option is a variant of the European-style option. In an Asian-style option, also known as an "average price" option, the reference price or value in relation to the Underlier is derived from an agreed upon calculation, which, by way of example, may be based upon an average of the Underlier's reference prices or values at predetermined dates occurring during a specified "averaging period," with the exercise date occurring at the end of such averaging period. An Asian-style option's payout is therefore based upon the difference between the average reference price or value of the Underlier and the option strike price.

- A *swaption* is an option that provides one party with the right, but not the obligation, to enter into a Swap with agreed-upon parameters on the specified future exercise date or dates. The terms of a swaption will specify whether cash settlement or physical settlement applies. Under cash settlement, if a swaption is exercised or deemed exercised, the seller of the swaption is obligated to pay the buyer the cash settlement amount, if any. Depending on the terms of the swaption, the cash settlement amount may be determined by the calculation agent based on market quotations for the underlying Swap or security-based Swap or some other agreed upon methodology. In the case of physical settlement, you should consider whether applicable laws and regulations require mandatory clearing of the resulting Swap. In addition, you may have the right to elect clearing of the underlying Swap and choose the clearinghouse. You should be aware that a clearinghouse's margining methodology, including in particular its method, if any, of adjusting for imputed interest on cumulative variation margin, may result in differences in value between a cleared and an uncleared Swap or with otherwise identical economic terms.

The risk-return profile of an option may vary depending on the characteristics of the relevant Transaction. For example, your Transaction with CRM may result in a final price that is better than the market price at execution, and it may also result in a final price that is better than the market price at expiration. Depending on the type of Transaction, your final price may be worse than the market price at expiration.

Specifically, your Transaction with us may contain one or more of the following features:

- **Premium Paid.** In the event that your Transaction requires you to pay a premium, it is possible that your final price compared to the initial Underlier price or the Underlier price at expiration will not outperform by an amount equal to or greater than the premium you have paid.

- **Favorable Re-Pricing.** Based upon the terms of Transaction and the price of the Underlier between execution and expiration, you may be re-priced to a more favorable price.

- **Participation Cap or Floor.** If your Transaction contains a participation cap or floor, then your final price may be worse than the market price at execution, but, in this case, your final price will be better than the market price at expiration.

- **Additional Quantity Obligation.** Your Transaction may require you to assume an obligation for an additional quantity if certain conditions are met. In the case that you are required to assume the additional quantity obligation, that additional quantity may be at a price that is better or worse than the market price at execution.

- **Limited Accumulation.** The terms of the Transaction may establish a price on an increasing quantity over time. Depending on the price of the Underlier between execution and expiration, you may not accumulate the entire quantity of your structure. The level at which the quantity is priced may be better than or worse than the price of the Underlier at expiration.

J. Legislative and regulatory risk and uncertainty

As part of the global governmental and private sector efforts to stabilize and reform financial markets, changes in the regulation of persons who engage in Transactions and changes in the regulation of Transactions, Underliers and related markets have been considered, proposed, adopted, and/or implemented. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "***Dodd-Frank Act***") establishes a new regulatory framework for Transactions that, among other matters, provides for the registration and comprehensive regulation of swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, imposes clearing and trade execution requirements, creates recordkeeping and real-time reporting regimes and enhances the CFTC's and SEC's rulemaking authority with respect to registered entities and intermediaries subject to each agency's respective oversight. New requirements relating to capital, margin, registration, trading restrictions and myriad other aspects of engaging in Transactions are being formulated and implemented, and could result in an increase of costs in engaging in Transactions. The European Market Infrastructure Regulation and similar international reform may also limit or restrict, or increase the costs of, engaging in Transactions. Accordingly, the ability to enter into and perform Transactions or engage in future Transactions may be affected in unpredictable ways, including increasing the costs of or reducing the incentives for engaging in such activities.

In addition to the Dodd-Frank Act, other measures, including temporary and permanent restrictions on short selling securities, price fluctuation limits, trading halts, limits on maximum net long or short futures and swap positions that any person may hold or control in particular commodities, commodity price caps, restrictions on 'naked' credit default swaps, taxes on certain financial transactions, capital controls and measures to address the risks of high frequency trading, could cause significant and unexpected market disruptions or significant additional compliance costs, which could in turn adversely affect your Transaction.

K. Combination Transactions

In some cases you may enter into two or more Transactions that are intended to operate in an integrated manner to achieve your desired objectives. Such Transactions, which may involve Transactions with Underliers in different asset classes, may be documented as a combination of component Transactions, such as a collar documented as a put and a call, a tranched option consisting of component options with sequential expiration dates or Transactions entered into sequentially that are intended to operate in an interdependent manner. You should review the terms of such Transactions and consider the possibility that termination events, adjustments or extraordinary events may not apply identically to all of the component Transactions, which may adversely affect the value of a Transaction, its usefulness for your intended purpose, the timing or amount of payments or deliveries, or, if applicable, the likelihood that you will be able to exercise any option rights.

L. Index Underliers

Certain Transactions may have indexes as Underliers. An index is generally a number or level, which varies over time, that is derived from prices or other quantifiable information about its constituents, or the index may simply be a set of constituents that together serve as Underliers for a Transaction or combination of Transactions. An index may be based on observed transaction prices, indicative or estimated prices or levels, survey results, economic statistics or other factors. Examples of indexes include equity indexes, indexes based on the settlement prices of exchange-traded contracts for physical commodities, a set of reference entities with respect to which the credit events are defined that determine consequences under a credit derivative transaction, or measures of inflation, weather conditions or real property prices. You should understand the methodology, characteristics and limitations of any index that serves as an Underlier for a Transaction and consider carefully whether it is appropriate in light of your objectives for entering into the Transaction.

An index may be compiled by an industry association or other private body, a single private firm or by a government agency (the “index sponsor”). The index sponsor is responsible for maintaining an index in accordance with any relevant index methodology. The index sponsor may in certain situations add, delete or substitute the constituents included in the applicable index or make methodological changes that could change the level of that index. Additionally, the index sponsor may change the publication timing or otherwise alter, discontinue or suspend calculation or dissemination of the applicable index. The index sponsor does not act as an advisor and has no obligation to consider your interests with respect to any such actions. Any of these actions could adversely affect the level of the index and could trigger disruption fallbacks (e.g., an alternative determination of the index level by the calculation agent) or postponement, adjustment or termination provisions of a Transaction with an index Underlier, any of which could adversely affect the Transaction Economics. The operation of such provisions may be subject to discretionary determinations by the calculation agent or other designated party, which may involve subjective judgment and uncertainty.

In the ordinary course of business the index sponsor and its affiliates may trade components of the index for their own accounts and for other accounts under their management. Such trading activities could potentially affect the level of the index. The index sponsor or its affiliates may act as issuer, agent or underwriter for issuances of securities, or enter into other transactions with returns linked or related to changes in the level of the index or the components of the index and in connection therewith may enter into hedging transactions. Such transactions may affect the level of the index and therefore the value of a Transaction linked to such index, and may generate profit to the sponsor of the index or its affiliates, even if the level of the index declines.

M. Payments

Unless otherwise agreed in the governing documentation of the Transaction, payments may be subject to deductions for tax, duty, withholding or other payments required by law.

N. Eligible Contract Participant Status

If you are not an eligible contract participant (within the meaning of the Commodity Exchange Act), it is unlawful for you to enter into a swap unless the swap is entered into on, or subject to the rules of, a designated contract market. If you are an eligible contract participant and enter into a swap that is not entered into on, or subject to the rules of, a designated contract market, you should be aware that certain changes with respect to the swap, such as a material amendment, a partial termination or, in the case of a swaption, your exercise of the option to enter into the underlying swap, may, for purposes of the Commodity Exchange Act and rules thereunder, result in the entry into a new swap. If so, you may only be able to amend, partially terminate or exercise your rights under the swap if you are then an eligible contract participant.

O. Specific Types of Transactions: Commodity Swap Transactions and Foreign Exchange Transactions

1. Commodity Swap Transactions

Transactions in which the Underliers are physical commodities, contracts for the future delivery of physical commodities, or rights or indexes relating to physical commodities or physical events are Commodity Transactions. Markets in physical commodities are highly differentiated by location, supply and demand, time and manner of delivery, quality standards for deliverable products and other factors. The depth, liquidity and number and nature of participants may vary greatly among segments in the market for the same commodity. The terms of a Commodity Transaction (including certain physically-settled Commodity Transactions) will specify the source or method of determining the prices, levels or values (“***commodity reference prices***”) relevant to the computation of payments and deliveries and the satisfaction of exercise and other conditions, such as automatic exercise and knock-in or knock-out events.

Market data providers may compile their commodity reference prices from pricing data submitted voluntarily by market participants. You should be aware that price submissions to a market data provider may or may not be based on actual transactions and that the data provider may not be able to audit submissions for their accuracy or completeness. If we or an affiliate make submissions that are used to compile a commodity reference price and also act as principal in Commodity Transactions that use the commodity reference price as an Underlier, then we face an inherent conflict of interest.

Prices of exchange-traded contracts may be affected by the method used for determining the official settlement price, including discretionary determinations of an exchange or clearinghouse settlement committee (on which we or an affiliate may participate), and by market disruption events as described below. Determining bodies and the institutions that make submissions in the commodity reference price determination process, including us and our affiliates, are not obligated to consider your interests in calculating, revising, discontinuing or taking other actions that may affect any commodity reference price.

Potential risks associated with Commodity Transactions include:

- **Corrections to Published Prices.** A price source may announce corrections to a previously published commodity reference price. You should review the terms of a prospective Commodity Transaction to determine how such corrections are treated.

- **Market Disruption Events.** The terms of a Commodity Transaction may specify that certain events and conditions affecting the market for a commodity or related exchange-traded contract, or a price source, will be treated as market disruptions and their occurrence may result in various consequences which could include postponement of pricing dates and/or changes in the method by which the price, level or value of an Underlier is determined. In the event of a disruption event, a Commodity Transaction may specify "disruption fallbacks" that will apply to determine any affected commodity reference price. Depending on the applicable disruption fallback, various consequences could occur.

- **Multiple Underliers.** For Commodity Transactions with more than one Underlier, (i.e., basis swaps, calendar spreads and basket transactions), it may be important for your intended purpose whether or not disruption fallbacks could result in the use of different pricing dates for different Underliers.

- **Dependence on Hedging Positions.** Certain events could affect our ability to enter into, maintain or unwind hedging positions related to a Commodity Transaction. The terms of a Commodity Transaction may provide that in such circumstances we may terminate the Commodity Transaction, or that costs incurred in connection with acquiring, maintaining or unwinding any hedge positions that we have entered into related to the Commodity Transaction are passed through to you.

2. Foreign Exchange Transactions

Transactions in which the Underliers are foreign currencies and involve, or at the option of either party may involve, the exchange of one or more currencies against one or more other currencies or settlement in a single currency based on the rates of exchange between one or more currency pairs as "***Foreign Exchange Transactions*.**" A Foreign Exchange Transaction may incorporate standard definitions published by industry bodies, annexes and supplements thereto, master confirmations and other market standard terms, which may in turn be amended or customized pursuant to the terms of the Foreign Exchange Transaction and its governing documentation.

Potential risks associated with Foreign Exchange Transactions include:

- **Settlement Risk.** Settlement risk in Foreign Exchange Transactions is the risk of loss when one party to the Foreign Exchange Transaction delivers the currency it sold but does not receive the currency it bought. Because a party's payment obligations under a deliverable Foreign Exchange Transaction are denominated in a different currency than those of its counterparty, the payments cannot be netted against one another. Generally, the settlement exposure under a Foreign Exchange Transaction is the gross amount of a party's payment obligation, which may be far in excess of the market value of the Foreign Exchange Transaction.

- **Trading Hours May Not Align.** The interbank market in foreign currencies is a global, twenty-four hour market, and as a result, the hours of operation that we and you conduct transaction-related activities in may not conform to the hours during which the underlying currencies are most traded. Thus, significant changes in foreign exchange rates as well as market, economic and political conditions, and thus the value of Foreign Exchange Transactions and the amount of credit exposure they create between us, may occur outside our standard business hours.

- **Market Disruptions and Restrictions due to Government Action or Other Factors.** Foreign currency exchange rates may be volatile and subject to intermittent market disruptions or distortions due to country-specific factors, including government regulation and intervention and lack of liquidity. Sovereign governments can fix foreign exchanges rates or allow them to float, can impose other regulatory controls or taxes, and can also devalue or revalue currency.

IV. CONFLICTS OF INTEREST AND MATERIAL INCENTIVES

A. Our financial market activities may adversely impact Transactions

We may act as, among other things, a market maker or trader. In those and other capacities, we may trade indices, baskets, derivatives, and other financial instruments, including Transactions.

Our affiliate, Cargill, Incorporated, by and through its other business units, and its affiliates, are active players in the commodity trading markets. It is possible that such entities may take positions in these markets that could be adverse to your interests.

Our financial market activities may, individually or in the aggregate, have the effects noted above and below, and you should expect that our interests, and the interests of our customers or other counterparties, may at times be adverse to your interests under or in connection with Transactions we conduct with you. Without limiting the foregoing (except as the same may be limited by applicable law), we may engage in the following activities:

1. Engage in similar Transactions with other counterparties

We may engage in Transactions with other counterparties that have trading, investment, or hedging objectives that are adverse or similar to yours. This may create potential conflicts where there is limited availability or limited liquidity for those Transactions. The results of your Transactions may also differ significantly from the results achieved by other counterparties. We are under no duty to inform you of the nature or identity of these other counterparties or their respective Transactions.

2. Possess non-public information relevant to Transactions

Acting in the various capacities noted above may give us broad access to the current status of certain markets, investments and products. As a result, we may be in possession of information, which, if known to you, might cause you to seek to dispose of, retain or increase interests in one or more Transactions. We are under no duty to make any such information available to you, unless such disclosure is required under applicable law.

3. Act as calculation agent, valuation agent, collateral agent, or determining party

If we act as the calculation agent, valuation agent, collateral agent, or other determining party with respect to Transactions for determining payments or deliveries during the term of Transactions, upon termination or otherwise, any disruption events, dilution adjustments or termination events, and any other terms of a Transaction as agreed with you, our role and duties will be limited to those set out in the Transaction or the governing documentation, it being understood that our economic interests as a calculation agent or other determining party are potentially adverse to yours with regard to the Transactions.

4. Act as index sponsor

We may act as index sponsor for certain indices that may be Underliers to Transactions.

Potential conflicts of interest may exist in such cases as we take on separate roles (i.e. Transaction counterparty, calculation agent and index sponsor). In accordance with the index methodology, the index sponsor will determine the prices and other data relevant to the calculation of the level of the index, including whether a market disruption event or other event permitting suspension of the index has occurred. In limited circumstances, the index sponsor may add, delete or substitute the components of the index, make other methodological changes that could change the level of the index or alter, discontinue or suspend calculation or dissemination of the index, any of which may affect the Transactions.

As index sponsor we will determine, calculate and publish the index, while we also may issue, enter into, promote, offer or sell transactions or investments linked, in whole or in part, to the index. In addition, we may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to the underlying assets linked to the index. Such activities may or may not have an impact on the level of the index and therefore on the value of Transactions. In light of these different roles performed by us, you should be aware of our potential conflicts of interests.

B. Transaction fees and implicit spreads may increase your loss or decrease your return

We generally enter into Transactions to earn a profit or to manage the risks of exposures. Our profits may derive from explicit fees and commissions, or may be implicit in the difference between payments and deliveries made to or by us under Transactions and our costs (or gains) in hedging and carrying the resulting exposures. We could earn a substantial return from our hedging positions related to a Transaction while the value of the Transaction to you declines or fails to increase by a commensurate amount. Before you enter into a Transaction, you should review and understand all commissions, fees and other charges for which you will be liable, including all amounts payable or due to us. These charges will affect your net profit (if any) or increase your loss. We may be paid a structuring fee distinct from payments made in connection with a Transaction. Please note that Transactions are subject to our revenue recognition policy ("RRP"). According to our RRP the revenue for each structured product Transaction is estimated at the time of execution with final revenue determined upon market settlement on the Trade Date; 10% of the revenue is factored on Trade Date and the remaining 90% is factored equally over the next 60 calendar days. Should you choose to unwind the Transaction early and within the first 60 calendar days, the Transaction shall be unwound for fair market value in accordance with the market price at the time of the unwind. Should you choose to keep the Transaction open until the expiration date, or to unwind it prior to its expiration date, but post calendar day 60, we will factor 100% of the revenue into the valuation.

C. We may use third parties for marketing or solicitation

We may pay third parties to market or solicit counterparties and/or Transactions on our behalf. Accordingly, any party that referred you to us may have an economic stake in your Transactions.

D. Our own transaction fees and costs may be reflected in the price or economic terms of Transactions

We have a variety of costs and expenses associated with entering into and carrying Transactions. These may include, without limitation, fees, commissions and other charges that we may become obligated to pay to third parties from time to time in connection with Transactions, including brokerage fees, referral fees, and execution, clearing and/or reporting fees associated with our compliance with applicable law. Unless otherwise agreed, you will not be obligated to reimburse us for these fees, commissions or other charges, but as with any of our other costs and expenses, you should assume they are reflected in the price or other economics of your Transactions. In this regard, we do not disclose our costs and expenses except as may be required by applicable law.

E. Our lobbying activities may adversely impact Transactions

We or our affiliates may directly, or indirectly through participation in industry trade groups or other associations, engage in lobbying or other advocacy efforts before Congress, state legislatures, governmental agencies, regulatory bodies or other authorities or officials (including the CFTC, SEC and bank supervisors) on matters relating to Transactions (whether of a legal, regulatory, financial, tax, or accounting nature or otherwise) in which our interests and positions may conflict with or be adverse to your interests and positions on such matters.

F. Our relative compensation may vary from one Transaction to the next

If we recommend alternative Transactions or strategies (each, an "***Alternative***") to accomplish your particular objective, our relative compensation may vary from one such Alternative to the next. You may wish to consider our relative compensation as it relates to our incentives and potential conflicts of interest. Our relative compensation may be material to our incentives underlying our recommendations. A variety of factors affect our relative compensation, including, without limitation, (i) the Transaction's size, tenor, complexity, and customization, (ii) counterparty-related factors such as credit risk, and (iii) costs and risks associated with carrying, hedging, and funding a particular Transaction. We do not have an obligation to disclose our actual or relative compensation among various Alternatives, except as required under CFTC Rule 23.431. If we furnish you with a ranking of our relative compensation for various Alternatives, such ranking is based on our estimates and assumptions and is not a guarantee that any such ranking will match the final economic outcome of a particular Transaction. Any such ranking should be only one of many factors that you and your advisors take into consideration in choosing among Alternatives.

V. NOTIFICATIONS

A. Scenario Analysis

Prior to entering into a Transaction in any Swap that is not available for trading on a designated contract market or swap execution facility, you may request, and consult on the design of, a scenario analysis to allow you to assess your potential exposure in connection with such Swap. Any such scenario analysis will, subject to terms as agreed between the parties:

- be prepared at your request for informational purposes only;
- be confidential and solely for your use, and may not be reproduced, published or distributed to anyone else without our prior written consent, subject to applicable law;
- be based upon model assumptions you provide to us and should not necessarily be considered reflective of our opinion of these assumptions;
- reflect our use of proprietary internal models and/or third party models to determine estimated prices, values, spread levels, or other variables based on your model assumptions, and we do not represent that these models are accurate or complete, or that they have been calibrated for scenarios comparable to your assumptions, and they should not be relied upon as such, nor will we be under any obligation to disclose to you confidential or proprietary information concerning such models; and

- neither constitute a guarantee nor an offer of indemnification to you (or any other person) for loss, claims, damages, liabilities, costs or expenses, direct or indirect, arising from your use of or reliance on the information contained in the analysis.

A scenario analysis is not a prediction of actual Transaction results, and there can be no assurance that the range of assumptions employed will encompass all possible market conditions.

B. Clearing

With respect to any Swap that is subject to the mandatory clearing requirements under Section 2(h) of the Commodity Exchange Act, subject to the terms of any agreement between us and to applicable laws, you have the sole right to select the derivative clearing organization or clearing agency at which the Swap will be cleared. With respect to any Swap that is not subject to these mandatory clearing requirements, subject to the terms of any agreement between us and to applicable laws, you may in your sole discretion elect to clear such Swap, and, if you so elect, select the derivative clearing organization or clearing agency at which the Swap will be cleared.

C. Daily Mark

For uncleared Swaps, we will provide you with a "***daily mark***" as of the close of business or at such other time that we agree in writing.

Daily marks will not reflect the actual market price at which an offer would be made to purchase, sell, enter into, exercise, novate, unwind, terminate or settle a Transaction. Rather, they will represent mathematical approximations of market values as of a given date derived from proprietary models and methodologies based on certain assumptions regarding past, present and future market conditions or other factors, or from other sources of pricing information (e.g., third party quotes, prices on trading venues, or clearinghouse marks for comparable or interpolated Transactions). In our sole discretion, we may use a variety of models, methodologies and assumptions to prepare our daily marks, depending upon the type of Transaction, its characteristics, whether there is a liquid market, and other factors. We reserve the right to alter, replace or vary our models, methodologies, and assumptions from time to time. As provided in CFTC Rule 23.431, we will disclose the methodology and assumptions used to prepare our daily marks for Transactions we enter into with you and any material changes during the term of the Transaction, provided however, that we will not disclose any confidential, proprietary information about any model.

Please note that any daily mark we provide to you for a Transaction may not necessarily:

- be a price at which either we or you would agree to replace or terminate the Transaction;
- include adjustments you may need to make on your books and records or financial statements to account for your profits, credit reserves, hedging, funding, liquidity or other costs in connection with the Transaction;
- unless otherwise expressly agreed, be the basis for margin calls and maintenance of collateral; and

- be the value of the Transaction that is marked on our books and records.

For cleared Swaps originally executed by you with us, you have the right to receive the daily mark from the relevant derivatives clearing organization upon request, and subject to the terms of any agreement between us and to applicable laws, you may decide whether you wish to receive the daily mark through access to the relevant derivatives clearing organization or your futures commission merchant or from us.

D. Right to Segregation of Certain Collateral

For Transactions in uncleared Swaps, subject to the terms of any agreement between us and you and to applicable laws, you will have the right to require segregation of the funds or other property that you supply to us to margin, guarantee, or secure your obligations, other than with respect to variation margin and provided that the property is of a type that may be held by a third party custodian. Upon your request, we will segregate such funds or other property for your benefit and in accordance with the rules of the CFTC or SEC. The terms of the Transactions with you may provide for you to reimburse us for the costs of such custodial arrangements, or alternatively we may reflect such costs in the economic terms of Transactions we offer you.

E. Special Entities

If you are an employee benefit plan defined in Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) ("ERISA") that is not subject to Title I of ERISA or otherwise defined as a "Special Entity" pursuant to CFTC Regulation 23.401(c)(1), (2), (4) or (5), you may elect to be treated as a Special Entity pursuant to CFTC Rule 23.401(c)(6).

*** * ***

June 2016