

Material Economic Terms Disclosures

Disclosure Statement Regarding Transaction Terms

This Disclosure Statement describes the manner in which the terms of any Transaction that JB Drax Honore (UK) Limited (“**Drax**”) may arrange for you acting as executing agent will be determined. The term “Transaction” has the meaning set forth in the above ISDA General Disclosure Statement for Transactions that is disclosed to you.

Before entering into any Transaction, 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, and willingness to incur, risk. You should also consider whether the Transaction is appropriate for you in light of your experience, objectives, financial and operational resources and other relevant circumstances. Unless expressly agreed in writing, Drax is not providing you with legal, financial, tax, accounting or other advice in connection with any Transaction.

The terms of any Transaction that Drax arranges for you as executing agent will be provided in the confirmation or other agreement evidencing the Transaction, including any terms incorporated by reference therein. Subject to the exceptions described below, any Transaction that Drax arranges for you as executing agent will have the terms that have been expressly agreed upon (orally, via email or in any other manner) in connection with the Transaction and other terms determined as follows:

1. Industry or market standard or convention. If a term, as established by industry or market practice or convention, is reasonably expected to be widely known by market participants, then the Transaction shall include such term, subject to any express agreement between you and us in connection with the Transaction.
2. Specified prior transaction, form confirmation or terms spreadsheet. If Drax notifies you that the Transaction will have the terms set forth in a specified prior transaction, form confirmation or terms spreadsheet, the Transaction will have such terms, subject to any express agreement between you and us in connection with the Transaction.
3. Unspecified prior transaction. If (2) does not apply and you and Drax has previously arranged as executing agent a transaction of the same type, the Transaction will have the terms set forth in the most recent transaction of the same type that Drax has arranged on your behalf, subject to any express agreement between you and Drax in connection with the Transaction.

The description above of the manner in which the terms of any Transaction that Drax arranges as executing agent will be determined is subject to the following important exceptions:

- a) Where a Transaction that Drax has arranged as executing agent is cleared through a clearing house or executed through a trading platform that prescribes the terms of the Transaction, the Transaction will have the terms specified by the applicable clearing house or trading platform and, subject to the rules of the clearinghouse or trading platform, any additional terms that you and we expressly agree upon in connection with the Transaction.
- b) If Drax arranges as executing agent a Transaction for “give-up” to a third party, the terms of the Transaction will be subject to the terms of any agreement with that third party.