

Citadel Securities Swap Dealer LLC

Disclosures for Swap Transaction Counterparties

The purpose of this document is to provide counterparties with certain information regarding the manner in which Citadel Securities Swap Dealer LLC (“CSSD”), a registered swap dealer with the U.S. Commodity Futures Trading Commission (“CFTC”), enters into intended-to-be-cleared CFTC-regulated swap transactions (“Transactions”) with counterparties, either directly or through a swap execution facility, designated contract market, or other venue on which Transactions may be executed (collectively, “Disclosures”). The information contained herein supersedes all prior versions of these Disclosures as well as all other communications or disclosures regarding any topics covered herein. Moreover, the information contained herein may be modified only by (i) the distribution of a subsequent version of these Disclosures or (ii) pursuant to the terms of a specific written agreement that CSSD may have with a particular counterparty that specifically amends these Disclosures. The general descriptions in this document may not be representative of how a given individual swaps transaction is executed as a result of a specific agreement or arrangement with a counterparty. The obligations of CSSD and the rights of its counterparties are limited only to those established by existing laws, rules, and regulations, as applicable. Nothing in this document or in any other communication expands upon CSSD’s obligations under applicable laws, rules, and regulations.

1. When entering into a Transaction, CSSD serves in the capacity of a counterparty and trades as principal for its own account. When acting as a counterparty, CSSD enters into the Transactions as principal. As a result, the interests of CSSD are directly adverse to the interests of its counterparty when CSSD negotiates the terms of a Transaction or related documentation, or makes determinations, or acts in relation to, or exercises its rights, in connection with those Transactions. CSSD does not act as an agent, fiduciary, or financial adviser for counterparties, nor does CSSD act on behalf of or otherwise represent counterparties on those Transactions in any manner. Accordingly, CSSD does not owe any duties, or otherwise undertake any obligations, to counterparties in connection with those Transactions. CSSD does not make any recommendation that a counterparty enter into any particular Transaction or express any view on whether any Transaction is suitable for a counterparty.
2. CSSD and its various affiliates (collectively, “Affiliates”) may engage in other business with counterparties and, in doing so, may act in capacities other than that of a counterparty. These other capacities might include acting as a broker-dealer in executing orders for securities, as a counterparty in business arrangements that do not constitute Transactions, or any other relevant capacities in which CSSD or the Affiliates, as applicable, may act in financial or commercial markets. In those cases, other applicable laws, rules, or regulations—or internal policies or procedures applicable to CSSD or the particular Affiliate—may govern matters, such as the handling and execution of orders, standards of care, disclosure of information, conflicts of interest, fees and compensation, or the segregation and control of assets held for safekeeping on the counterparty’s behalf. The duties and standards to which CSSD or a

particular Affiliate is subject when acting in these other capacities may differ materially from those that apply when CSSD acts as a counterparty to Transactions, and may (or may not) afford substantially greater protections. When CSSD or one or more of its Affiliates acts in a particular capacity, CSSD or its Affiliates, as applicable, shall have only those duties and obligations that pertain specifically to that particular capacity and as it relates to a particular transaction.

3. CSSD and its Affiliates may, on a regular basis, enter into transactions and acquire resulting positions (long or short) in financial instruments that are identical to, reference, or are otherwise related to, those financial instruments which are the subject of a counterparty's Transactions. These transactions may be effected for—and the resulting positions may be acquired for—CSSD's or its Affiliates' own proprietary accounts, or to facilitate transactions with other clients or counterparties.
4. CSSD and its Affiliates, when acting in the various capacities described above, may have access to information regarding the current status of certain products, investments, and markets. Accordingly, when executing Transactions with a counterparty, CSSD may be in possession of information that, if known to a counterparty, might affect the counterparty's decision to engage in a Transaction. Except as may otherwise be required by applicable law, CSSD is under no obligation to make any such information available to the counterparty in connection with any Transaction.
5. Except as otherwise prohibited by applicable law, any information a counterparty provides to CSSD relating to a potential Transaction may be used by CSSD in connection with its market making activities, as such activities relate to both the counterparty's potential Transaction and Transactions with other counterparties. Accordingly, CSSD may utilize information a counterparty provides relating to a potential Transaction to, among other things, enter into transactions to establish or adjust a hedge designed to facilitate the counterparty's Transaction (an "anticipatory hedge"). Any CSSD trading activity to establish or adjust such an anticipatory hedge will be entered into by CSSD on a principal basis and the terms of such transactions may differ from, and impact the price of, the counterparty's Transaction. In addition to the foregoing, CSSD is permitted to use any information relating to an executed or cancelled Transaction for any legally-permissible purpose, including, but not limited to, in connection with both its market making and its non-market making proprietary trading activities.
6. When entering into Transactions with counterparties that are subject to mandatory clearing under Section 2(h) of the Commodity Exchange Act, counterparties that are not a swap dealer, major swap participant, securities-based swap dealer, or major securities-based swap participant have the sole right to select the derivatives clearing organization ("DCO") at which the Transaction will be cleared. When entering into Transactions with counterparties that are not subject to mandatory clearing under Section 2(h) of the Commodity Exchange Act, counterparties that are not a swap dealer, major swap participant, securities-based swap dealer, or major securities-based swap participant may elect to require clearing of the Transaction and have the sole right to select the DCO at which the Transaction will be cleared.

Additionally, for cleared Transactions, such counterparties have the right to receive, upon request, the daily mark from the appropriate DCO or futures commission merchant.

7. CSSD and its Affiliates may have an ownership or other economic interests (such as the right to receive payment for order flow or other remuneration) in venues. Additionally, CSSD and its Affiliates may have ownership or other economic interests in a DCO to which a Transaction could be submitted or given-up for clearing. CSSD may have access to one or more venues or DCOs and not others, and thus may not otherwise be able to submit a counterparty's Transactions to the venue or DCO of the counterparty's choice. Moreover, directors or employees of CSSD and its Affiliates may serve as directors of one or more venues or DCOs. As a result of the foregoing, CSSD and its Affiliates may stand to benefit if a counterparty's Transaction is executed or cleared at a particular venue or DCO (for example, through volume discounts) and, accordingly, CSSD may have certain incentives to execute a counterparty's Transaction on certain venues and clear a counterparty's Transaction through certain DCOs.
8. CSSD does not provide tax, accounting, legal, or financial advice. Accordingly, counterparties should consult their own professional advisors regarding the tax, accounting, legal, or financial aspects of any Transaction.
9. Counterparties wishing to lodge a complaint against CSSD should direct their complaint to the following address: Compliance Department, Citadel Securities Swap Dealer LLC, 425 Park Avenue, New York, NY 10022 or please contact CSSD's Compliance Department at 212-847-8490.
10. When acting as a reporting party, CSSD will report swap transactions to the DTCC Data Repository.
11. Dodd-Frank Material Disclosure: See <https://www.citadelsecurities.com/disclosures/dodd-frank-material-disclosure-statement/> for certain additional Dodd Frank-related disclosures for those counterparties who are not registered as a swap dealer, major swap participant, security-based swap dealer or major security-based swap participant.