CITADEL | Securities

Citadel Securities LLC

FX Transaction Disclosure for Counterparties

This Disclosure sets forth the terms and conditions by which Citadel Securities LLC (the "Firm") conducts transactions as a dealer in foreign exchange products ("FX Transactions") with broker-dealers or institutions, either on a disclosed trading basis or on anonymous electronic FX trading platforms (collectively, "Counterparties"). The information contained herein supersedes all prior versions of this Disclosure as well as all other communications or agreements regarding any topics covered herein. Moreover, the information contained herein may be modified only by (i) the issuance of a subsequent version of this Disclosure or (ii) pursuant to the terms of a subsequent written agreement between the Firm and a particular Counterparty that specifically amends this Disclosure.

Please note that this Disclosure governs the activities of the Firm as a dealer in FX products and does not cover the activities of affiliates which also engage in FX transactions.

Trade Requests:

When acting as a dealer in FX products, the Firm currently provides indicative FX spot prices to its Counterparties. Unless explicitly stated otherwise, prices communicated electronically by the Firm do not constitute offers to trade but rather are indications of interest subject to further review by the Firm. In response to indicative prices posted by the Firm, Counterparties send electronic offers to trade FX (any such offer in response to an indicative price posted by the Firm, a "Trade Request", and any such price, a "Requested Trade Price"). A Counterparty's electronic Trade Request constitutes its commitment to trade at the indicative price communicated by the Firm.

Upon receipt of a Trade Request, the Firm assesses the validity of the request against various operational, credit, and risk management checks, such as filters the Firm may employ for the purpose of implementing credit limits, position limits, or other limits to a Counterparty's electronic trading activities (collectively, the "Validity Check"). The Firm may reject the Trade Request if it fails the Validity Check.

In addition to the Validity Check, the Firm determines whether to execute the Trade Request at the Requested Trade Price (the "Price Check"). When conducted in response to a Counterparty Trade Request, both the Validity Check and the Price Check collectively constitute "Last Look".

"Last Look" Price Check:

The Price Check component of "Last Look" is a practice utilized in FX trading during the pre-trade process whereby a market participant receiving a Trade Request has a final opportunity to accept or reject the Trade Request against its indicative price. When a Counterparty provides the Firm with a Trade Request, the Firm reviews how the Requested Trade Price compares against the then-current Counterparty-specific price at which the Firm is willing to trade, to determine the extent of difference

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between the two. This price comparison process determines whether a trade at the Requested Trade Price would exceed Counterparty-specific, pre-defined tolerance levels set by the Firm, in its sole discretion (such Counterparty-specific tolerance levels, the "Price Movement Threshold"). When this comparison shows that the differential between the Requested Trade Price and the Counterparty-specific price at which the Firm is willing to trade does not exceed the applicable Price Movement Threshold, the Trade Request is eligible to be accepted. When this comparison shows that the above-referenced differential exceeds the applicable Price Movement Threshold, the Trade Request is rejected.

The Firm applies this Price Check to help it mitigate the risks posed by latencies inherent in electronic communications or erroneous price formation generated by external systems and by changes in the Firm's inventory and risk profile, among other reasons. The Firm does not provide data in respect of average rejection rates. The Firm will, however, share with Counterparties their own rejection statistics upon request.

The Firm's standard practice is to apply the Price Movement Threshold "symmetrically," i.e., if the price move, regardless of direction, is greater than the specified Price Movement Threshold, the Counterparty's Trade Request will be rejected. A Counterparty may request to opt-out of the symmetrical application of the Price Movement Threshold, thus receiving asymmetric application of the Price Movement Threshold. In such instance, a Counterparty's Trade Request will be rejected if the Requested Trade Price exceeds the applicable Price Movement Threshold in the direction that is unfavorable to the Firm. This choice may increase a Counterparty's overall trade acceptance rate and narrow the spread of the indicative prices provided to it.

While certain latencies and delays are inherent in processing Trade Requests, the Firm does not intentionally impose latency buffers or other delays during the Last Look process to observe future price movements.

While conducting the Last Look process, the Firm does not use any information from the electronic Trade Request to either (i) change the indicative pricing it provides, or (ii) pre-hedge the risk associated with such electronic Trade Request. The Citadel Securities Business may continue to trade during this period for reasons unrelated to such Trade Request. Once the Last Look process is completed, the Citadel Securities Business is permitted to use information from an accepted Trade Request as well as any resulting FX transaction in accordance with the other provisions of this Disclosure, including, but not limited to, in connection with its dealing and non-dealing proprietary trading activities.

Pre-Trade Controls and Checks:

The extent to which the Firm employs a Validity Check or, in the case of a Trade Request, a Price Check, is in its sole discretion and may vary depending upon the Counterparty and/or platform being used. Additionally, the Firm may change the components of its Validity Check and Price Check from time to time without notice in its sole discretion.

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Rejected Trade Requests:

The Citadel Securities Business will use its reasonable efforts to notify a Counterparty when its request to trade FX has been rejected and to provide an indication of the primary reason for the rejection. Upon request, the Citadel Securities Business may provide a Counterparty with a more detailed explanation of why a request to trade has been rejected and also with a historic summary of that Counterparty's rejected requests.

Principal Trading and Pricing Factors:

The Citadel Securities Business conducts its FX dealer activities strictly as principal. The Citadel Securities Business conducts its principal transactions as an arm's length counterparty and does not act as an agent, financial advisor, or in any similar capacity on behalf of Counterparties in relation to these transactions. Any statements made by or through Citadel Securities Business personnel, its electronic systems, or otherwise in the processing or execution of FX transactions do not constitute recommendations or advice and should not be construed or relied upon as such. The Citadel Securities Business expects a Counterparty to evaluate an FX transaction based on the facts and circumstances relevant to the Counterparty and its own assessment of the FX transaction's merits.

Any price or spread that a Counterparty receives may incorporate sales and trading mark-ups, mark-downs or other charges over the price or spread at which the Citadel Securities Business traded or may have been able to trade with its other Counterparties. In some transactions and markets, commissions or other additional amounts may be charged, including for services provided by the Citadel Securities Business, such as execution, clearing and trade reporting, and other services, as applicable. Such prices, spreads or other amounts may differ from the prices or spreads that the Citadel Securities Business offers to other Counterparties. Any firm or indicative price or spread or other terms of a transaction (including whether a spread is greater on the bid or offer side) may vary in the Citadel Securities Business's sole discretion, depending on a broad range of factors. These include transaction or Counterparty specific factors, including the overall size of the transaction, a Counterparty's previous trading behavior (e.g., transaction size and frequency and trading gains or losses, including whether the Citadel Securities Business anticipates that a Counterparty will, based on its trading history, be more likely to buy or sell), the Citadel Securities Business's expenses associated with effecting the transaction (including, among other things, transaction processing costs and venue fees associated with execution), the credit and settlement risks associated with the transaction, operational risks (including the operational stability of the market venue where the transaction will be executed), a profit for the Citadel Securities Business, and the nature of its relationship with the Counterparty, including the level of service that the Citadel Securities Business provides to the Counterparty. In addition, the Citadel Securities Business considers other factors, including prevailing market conditions, the Citadel Securities Business's risk profile, inventory, and risk appetite. The Citadel Securities Business's provision of principal liquidity is therefore not independent from the interests of the Citadel Securities Business, which may conflict with, diverge from, or adversely impact a Counterparty's interests. The Citadel Securities Business may also differentiate pricing or performance by platform or trading venue, which may result in a Counterparty receiving different prices or transaction outcomes on different platforms or venues. Factors that may contribute

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to this differentiation by platform or venue include, but are not limited to, the conventions of the platform or venue, which may include minimum price increment, on-the-wire time, parameters for accepting or rejecting transaction requests, available transaction types, underlying technology or latency, fees, and other economic considerations, such as historic experience with the platform or venue. The Citadel Securities Business assumes no responsibility or liability whatsoever with respect to the practices of any third-party trading platforms on which the Citadel Securities Business transacts in FX products, or with respect to the actions of any other third party.

Trading Positions; Conflicts of Interest:

The Citadel Securities Business may maintain positions in various financial instruments, whether as the result of trades with or Trade Requests received from, Counterparties, or in connection with the Citadel Securities Business's dealing or non-dealing proprietary trading activities more generally. The Citadel Securities Business will manage the risk of a trade with a Counterparty in its sole discretion and may choose to hold, hedge, liquidate or otherwise manage some or all of the risk of a trade as it so chooses. Any gains or losses resulting from the Citadel Securities Business's trading and risk management decisions shall accrue solely to the benefit (or detriment) of the Citadel Securities Business.

In all of its communications and transactions with Counterparties, including in the handling of Trade Requests, the Citadel Securities Business's interests, at times, will conflict with, diverge from or adversely impact a Counterparty's interests. The Citadel Securities Business's dealing and non-dealing proprietary trading activities may impact the prices communicated to a Counterparty for a transaction and the availability of liquidity necessary to execute a Counterparty's requested transaction.

The Citadel Securities Business has investments in, or other relationships with, certain trading venues and clearing systems on which the Citadel Securities Business handles Counterparty transaction requests and, as a result, may receive financial or other benefits that are not shared with Counterparties, including through the Citadel Securities Business's participation in the incentive programs of such trading venues and clearing systems.

Communication Method:

Absent explicit approval, the Citadel Securities Business shall not accept from a Counterparty any Trade Request through e-mail or other text-based electronic messaging systems. If the Citadel Securities Business agrees to the use of electronic messaging (e.g., e-mail, chats, instant messages, etc.) as the mode for a Counterparty to communicate its Trade Requests, any Trade Request will not be considered to be accepted by the Citadel Securities Business until a Firm representative verifies the Trade Request or otherwise affirmatively acknowledges acceptance of the Trade Request. Such acceptance may be evidenced in any manner chosen by the Citadel Securities Business, in its sole discretion, including by the Firm having executed the Trade Request. The Citadel Securities Business does not accept Trade Requests sent via fax or voicemail systems. The need to employ manual operational processes to execute Trade Requests transmitted by electronic messaging systems may

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result in a Trade Request so transmitted either not being filled or being filled at a much later time than when first received into the Citadel Securities Business's e-mail or other electronic messaging system. During the period between the electronic transmission of a Trade Request and the point at which it is verified and acknowledged, a Counterparty will be exposed to the risk that its Trade Request may not be filled (including where the market has moved in its favor) or may be filled at a less favorable level because market conditions have changed in the interim.

Risk of Abnormal Events and Cybersecurity Threats:

FX trading presents risks of abnormal events, such as internal or external system errors or failures, short-term spikes in volume, and other extraordinary market conditions. Trade Request receipt, processing, and execution quality could be materially adversely affected during abnormal events. Such events may cause the inability to place or cancel Trade Requests, delays in execution, or executions at prices away from the indicative price provided or displayed at the time the Trade Request was entered.

The Citadel Securities Business reserves the right, in its sole and absolute discretion and without prior notice to Counterparties, to determine if and when an abnormal event exists. In connection with any such determination, the Citadel Securities Business may—for as long as it deems appropriate—modify, change, suspend, eliminate, or selectively apply (e.g., on a Counterparty, product, Trade Request, or other basis) any of the terms and conditions described in this Disclosure without prior notice to Counterparties.

The Citadel Securities Business relies on a wide range of computer hardware and software, including both equipment and programs licensed from its affiliates as well as those licensed from third parties, including from trading venues (collectively, "Computer Systems"). Moreover, the Citadel Securities Business uses Computer Systems in substantially all phases of its operations, including, but not limited to, Trade Request receipt and handling, trade execution, clearing, risk management, back-office functions, and transaction reporting. The Citadel Securities Business also uses both affiliated and third-party systems, including "cloud" solutions, to store data (collectively, "Third-Party Systems"). While the Citadel Securities Business seeks to prevent, identify, and contain the effects of potential security threats to its Computer Systems and Third-Party Systems, it is impossible to protect against all risks to the security of the Citadel Securities Business's Computer Systems and Third-Party Systems. Exposures to those threats and risks will always exist. The tactics, techniques, and procedures used by malevolent actors to obtain access to data, disable or disrupt service, or sabotage systems change frequently. The Citadel Securities Business may fail to adjust or enhance its security monitoring appropriately or in a timely manner to be effective in identifying, preventing, or remediating such threats or attacks which, in turn, may expose the Citadel Securities Business or Counterparty information or otherwise materially impact the Citadel Securities Business's ability to carry on its business operations. Any Computer Systems or Third-Party Systems provided by the Citadel Securities Business to Counterparties are provided "as is" and, accordingly, to the fullest extent permitted under applicable laws, rules, and regulations, the Citadel Securities Business has no liability to Counterparties for any losses incurred in connection with either a breach to, or the occurrence of an

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abnormal event impacting, its Computer Systems or Third-Party Systems, even where the Citadel Securities Business may have been advised of the possibility thereof.

To the extent that the Citadel Securities Business provides a Counterparty with access to any Computer Systems or Third-Party Systems only through one or more passwords, security devices, or other access methods that the Citadel Securities Business specifies (collectively, "Access Methods"), the Citadel Securities Business is not responsible for ensuring that the Computer Systems or Third-Party Systems, and a Counterparty's Access Methods, are provided only to, and used only by, those users that a Counterparty authorizes ("Authorized Users"). Moreover, the Citadel Securities Business is not responsible for any acts or omissions of any person using any Computer Systems or Third-party Systems through a Counterparty's Access Methods. The Citadel Securities Business deems all transmissions generated by use of a Counterparty's Access Methods to be authorized by the Counterparty and made by an Authorized User, whether or not the Citadel Securities Business acknowledges receipt of such transmission.

Use of Information:

The Citadel Securities Business is not a fiduciary to its Counterparties, or its Counterparties' customers, by extension or otherwise. Any duties or obligations the Citadel Securities Business owes to its Counterparties is limited to the Counterparty's Trade Request and ends when that Trade Request has been fully executed or cancelled. Except as may otherwise be required by applicable law, the Citadel Securities Business does not owe any duties or obligations to any Trade Request that it has not yet received and explicitly accepted. Certain services may be offered from Citadel Enterprise or third-party service providers on behalf of the Citadel Securities Business, such as execution, clearance and settlement, operational, risk-management, analytical, or legal-related services which require access to client/counterparty information. Once a given Trade Request has been executed or cancelled, the Citadel Securities Business is permitted to use and share any and all information associated with that Trade Request and any resulting transaction for any variety of purposes, including, but not limited to, the following:

- To conduct research, investment, and trading activities (including dealing and non-dealing proprietary trading) on behalf of the Citadel Securities Business; and

- To share or otherwise make available aggregated, anonymized, and/or time-delayed Trade Request and associated transaction information to other parties and to publish some or all of such information on its website or otherwise.

Relationship with Citadel Advisors and Citadel Enterprise:

The Citadel Securities Business is affiliated with Citadel Advisors LLC (together with its related entities, "Citadel Advisors"), a global investment firm, as well as Citadel Enterprise Americas LLC (together with its related entities, "Citadel Enterprise"), which provides certain administrative and support services to both the Citadel Securities Business and Citadel Advisors.

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Although the Citadel Securities Business and Citadel Advisors operate as separate and distinct businesses, certain personnel of Citadel Enterprise provide services to both the Citadel Securities Business and Citadel Advisors. In addition, personnel that are primarily dedicated to either Citadel Advisors or the Citadel Securities Business may provide services to the other unit under certain circumstances, on either an extended or project-specific basis. In both instances such personnel include, without limitation, individuals within the treasury, accounting, legal, tax, risk, compliance, operations, technology, and human resources departments of any of Citadel Enterprise, the Citadel Securities Business, or Citadel Advisors. Moreover, certain senior management of Citadel Advisors and Citadel Enterprise are involved in strategic and other business decisions or activities related to Citadel Advisors and the Citadel Securities Business.

Certain Defined Terms:

As used throughout this Disclosure, references to the “Citadel Securities Business” refer to Citadel Securities LLC and all other subsidiaries of Citadel Securities GP LLC (or any successor entity thereto), as well as their respective officers, directors, managers, and employees.

This Disclosure may be updated from time to time without prior notice and is made available through http://www.citadelsecurities.com/disclosures.

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