



April 25, 2014

IMPORTANT: ACTION REQUIRED

**2014 NOTIFICATION OF RIGHT TO SEGREGATION
OF INITIAL MARGIN POSTED IN RESPECT OF UNCLEARED SWAPS
PURSUANT TO CFTC RULE 23.701**

Dear Sir or Madam:

This notification (the “**CFTC IM Segregation Right Notice**”) is being provided by us¹ pursuant to Commodity Futures Trading Commission (“**CFTC**”) rule 23.701 in respect of one or more of our swap counterparties (each, a “**Counterparty**”).

Please note that failure to confirm receipt of this notice and make the necessary election described below may inhibit our ability to execute swaps (as defined by CFTC rules) that are not submitted for clearing (each, an “**Uncleared Swap**”) with Counterparty on or after the relevant CFTC compliance date² (the “**Compliance Date**”) due to CFTC rules.

In accordance with CFTC rule 23.701, we are hereby notifying you that, to the extent Counterparty posts “**Initial Margin**” (as defined in CFTC rule 23.700) (“**IM**”) in respect of any Uncleared Swap between us and Counterparty that is executed on or subsequent to the Compliance Date, Counterparty has the right to elect that IM be segregated (“**IM Segregation**”) in accordance with the requirements set forth in CFTC rules 23.702 and 23.703 (the “**CFTC Segregation Regime**”). In the attached Schedule we have identified one or more institutions as an acceptable custodian for IM Segregation and provided information regarding the price of IM Segregation based on information available to us.

We need to obtain the following information as soon as possible in order to satisfy our obligations under CFTC rules:

I. Confirmation of your receipt of this notice; and

II. Counterparty’s election to either:

- **require** IM Segregation in accordance with the CFTC Segregation Regime.
Note: If Counterparty chooses this first election, certain documentation, including a tri-party custodial agreement that meets the requirements of the CFTC Segregation Regime, must be put in place. After the Compliance Date, choosing this election may prevent us from entering into new Uncleared Swaps with Counterparty until such documentation is in place;³ or

¹ References in this notice to “our”, “us” or “we” are references to Swap Dealer.

² If no agreement existed between Counterparty and us concerning Uncleared Swaps as of January 6, 2014, the CFTC compliance date is May 5, 2014. If such an agreement did exist as of January 6, 2014, the CFTC compliance date is November 3, 2014.

³ Please note that any existing custodial arrangements whether legally required or bargained for independently, may not contain certain terms required to be included under the CFTC Segregation Regime and therefore may need to be revised if IM Segregation in accordance with the CFTC Segregation Regime is elected. Parties wishing to elect IM Segregation in accordance with CFTC Segregation Regime may wish to consult with legal counsel as to the