



15 January, 2015

**Commodity Index Swap**  
Our ref: 926017511 (454197689)v2

SOUTHERN FINANCIAL LLC  
6100 RED HOOK QUARTER B4  
ST. THOMAS, USVA

Deutsche Bank AG, London Branch  
Commodity Index Operations  
Winchester House  
1, Great Winchester Street  
London  
EC2N 2DB  
Email: London [REDACTED]  
Direct Line: [REDACTED]

Dear Sirs,

The purpose of this agreement (this 'Confirmation') is to confirm the terms and conditions of the Commodity Swap Transaction entered into between Deutsche Bank AG London Branch ('Party A') and SOUTHERN FINANCIAL LLC ('Party B') on the Trade Date specified below (the 'Transaction').

The definitions and provisions contained in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (the "Swap Definitions") and in the 2005 ISDA Commodity Definitions, as published by the International Swaps and Derivatives Association, Inc., and together with the Swap Definitions, the "Definitions"), are incorporated into this Confirmation. For the avoidance of doubt, capitalised terms used in this Confirmation shall have the meaning as defined in the Definitions. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a 'Confirmation' as referred to in, and supplements, forms a part of and is subject to, the ISDA Master Agreement dated as of 28 October 2013 as amended and supplemented from time to time (the 'Agreement'), between you and Deutsche Bank AG. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

## 1. General Terms

Trade Date:	13 January 2015
Effective Date:	13 January 2015
Termination Date:	13 January 2016
Notional Amount:	USD 10,000,000.00
Reference Index:	DB WTI Short Volatility II USD Index
Index Sponsor:	Deutsche Bank AG, London
Reference Page:	Bloomberg ticker: DBCMWSV2 <Index>
Business Days:	Any day where banks are open for general business in London and New York
Business Day Convention:	Modified Following, (which shall apply to any date referred to herein that falls on a day that is not a Business Day)
Index Strike:	255.8709
Index Fee:	0% per annum

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervisory Authority) and by the Prudential Regulation Authority. It is subject to limited regulation by the Prudential Regulation Authority and Financial Conduct Authority for the conduct of UK business and is a member of the London Stock Exchange. Deutsche Bank AG is a limited liability company incorporated in the Federal Republic of Germany, HRB No. 30 000 District Court of Frankfurt am Main; the Branch Registration No. in England and Wales is BR000005 with its registered address at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

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## 2. Terms of Swap

### Party A Index Floating Amounts

Floating Rate Payer:	Party A
Party A Floating Rate Payer Calculation Amount:	For each Calculation Period, an amount equal to the product of Notional Amount multiplied by the Initial Index Value that applies to such Calculation Period divided by Index Strike.
Party A Floating Rate Payer Payment Date(s):	For each Calculation Period, two Business Days after each Periodic Index Fixing Date falling at the end of such Calculation Period.
Party A Floating Amount:	An amount determined by the Calculation Agent with respect to each Calculation Period, equal to the product of Party A Floating Rate Payer Calculation Amount and $\{ \text{Final Index Value} / \text{Initial Index Value} \}$

### Party B Index Floating Amounts

Floating Rate Payer:	Party B
Party B Floating Rate Payer Calculation Amount:	For each Calculation Period, an amount equal to the product of Notional Amount multiplied by the Initial Index Value that applies to such Calculation Period divided by Index Strike.
Party B Floating Rate Payer Payment Date(s):	For each Calculation Period, two Business Days after each Periodic Index Fixing Date falling at the end of such Calculation Period.
Party B Floating Amount:	An amount determined by the Calculation Agent with respect to each Calculation Period, equal to the product of Party B Floating Rate Payer Calculation Amount and $\{ 1 + \text{Bid/Offer Cost} \}$
Bid/Offer Cost:	Will be determined by the Calculation Agent on the Termination Date or on the Optional Early Termination Date and will be between <b>1.00-1.50%</b> under normal market circumstances. The Bid/Offer Cost only applies to the last Calculation Period, which ends on the Termination Date or on the Optional Early termination Date. It is zero for all other Calculation Periods. In case of an Early Termination Option exercised by Party A, the Bid/Offer Cost will be zero.
Index Currency:	USD
Initial Index Value:	In respect of each Calculation Period, an amount equal to the Index Closing Value on the Periodic Index Fixing Date falling at the start of such Calculation Period as determined by the Calculation Agent, except for the first Calculation Period where the Initial Index Value shall be Index Strike.
Final Index Value:	In respect of each Calculation Period, an amount equal to the Index Closing Value on the Periodic Index Fixing Date falling at the end of such Calculation Period as determined by the Calculation Agent.
Index Closing Value:	On any Business Day, an amount in the Index Currency equal to the Index Closing Value for the Reference Index, as published on such day by the Index Sponsor on the Reference Page.
Calculation Period:	Each period from and including a Periodic Index Fixing Date to and including the immediately following Periodic Index Fixing Date, except that (a) the initial Calculation Period will commence on and include the Effective Date and (b) the final Calculation Period will end on and include the Termination Date.
Initial Margin:	USD 500,000 to be paid by Party B to Party A on 15 January 2015
Periodic Index Fixing Dates:	The last Business Day of each calendar quarter during the life of this transaction, provided that the last Periodic Index Fixing Date shall be the Termination Date, and provided that if there is a Market Disruption on any such day, then the Periodic Index Fixing Date shall be deemed to be the first succeeding Business Day. For clarity, the Periodic Index Fixing Dates are:

1	31 March 2015
2	30 June 2015
3	30 September 2015
4	31 December 2015
5	13 January 2016

**Rounding:** All determinations of the Calculation Agent shall be rounded to the nearest to 4 decimal places, and all cash

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settlements shall be rounded to the nearest cent.

### 3. Other Terms

Calculation Agent: Party A

The Calculation Agent shall have no responsibility for good faith errors or omissions in respect of any calculations or determinations contemplated herein, and its calculations and determinations shall, in the absence of manifest error, be final, conclusive and binding on Party A and Party B provided that Party A has acted in good faith and in a commercially reasonable manner.

Early Termination Option:

Party B shall have the option to designate any Business Day as an early termination date (the "**Party B Optional Early Termination Date**") in respect of this Transaction, provided that Party B must notify Party A of its intention to terminate prior to 10:00 a.m. New York time on any such date. If such notification is received by Party A after 10:00 a.m. New York time, the Party B Optional Early Termination Date will be the next following Business Day.

Party A shall have the option to designate an early termination date in respect of this Transaction by notifying Party B on any Business Day of its intention to terminate. The early termination date (the "**Party A Optional Early Termination Date**") in respect of any such early termination by Party A will be the fourteenth (14<sup>th</sup>) calendar day following Party A's notice of early termination (provided that if such day is not a Business Day, the Party A Optional Early Termination Date will be the next following Business Day). The Party A Optional Early Termination Date and the Party B Optional Early Termination Date are each referred to herein from time to time as the "Optional Early Termination Date". On the Optional Early Termination Date, the Calculation Agent shall determine the amount, if any, which is payable between the parties in relation to this Transaction. Such amount shall be calculated on the basis of Section 2 of this Agreement, where the Final Index Value is the Index Closing Value on the Optional Early Termination Date. In effecting such determination, the Calculation Agent shall take into account the impact of discounting with respect to the relevant Calculation Period.

Correction to Published Prices:

For purposes of calculating the Index Closing Value on any day, if a closing price published or announced on any given day and used or to be used by the Calculation Agent to determine the Index Closing Value is subsequently corrected, and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days of the original publication or announcement, either party may notify the other party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than 10 calendar days after publication or announcement of the correction, a party gives notice that an amount is so payable, the party that originally either received or retained such amount will, not later than three Banking Days after the receipt of that notice, pay, subject to any applicable conditions precedent, to the other party that amount, together with interest on that amount (at a rate per annum that the Calculation Agent determines to be the spot offered rate for deposits in the payment currency in the London interbank market at approximately 11:00 a.m., London time on the relevant payment date) for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment or the refund of payment resulting from the correction.

**4. Representations:**

Each party represents to the other party on the date on which it enters into this Transaction that (absent a written agreement between the parties in respect of this Transaction that expressly imposes affirmative obligations to the contrary):

- (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgement and upon advice from such tax, accounting, regulatory, legal and financial advisers as it has deemed necessary, and not upon any view expressed by the other. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.
- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary for, or an adviser to it in respect of this Transaction.

Party B represents to Party A on the date on which it enters into this Transaction that:

- (iv) This Transaction will comply in all respects with all applicable laws, rules, regulations, interpretations, guidelines, procedures, and policies of applicable governmental and regulatory authorities affecting Party B and the performance of its obligations hereunder.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation enclosed for that purpose and returning it to us or by sending us a letter or telex substantially similar to this letter, which letter or telex sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Please check this confirmation carefully and immediately upon receipt so that errors and discrepancies can be promptly identified and rectified.

We are pleased to have executed this transaction with you.

Yours faithfully, for and on behalf of Deutsche Bank, London Branch



By: \_\_\_\_\_  
Name: Aparna Shrivastava  
Title: Authorised Signatory



By: \_\_\_\_\_  
Name: Graham Bird  
Title: Authorised Signatory

Confirmed as of the date first above written:  
SOUTHERN FINANCIAL LLC

By: \_\_\_\_\_  
Name:  
Authorised Signatory

By: \_\_\_\_\_  
Name:  
Authorised Signatory