

CLEAR STREET DERIVATIVES LLC (“CSD”)

CSD is going to be registered with the Securities Exchange Commission (“**SEC**”) as a Security-Based Swap Dealer (“**SBSD**”) by September 30, 2023 pursuant to 17 CFR Part 240. The following disclosures are provided to you in accordance with the requirements set forth in 240.15Fh-3 of the SEC rules in connection with any security-based swap transaction.

1. General Risk Disclosures and Asset Specific Disclosures

The International Swaps and Derivatives Association (“**ISDA**”) maintains the disclosures required by SEC Rule 240.15Fh-3(b). These disclosures generally provide the following: (a) material characteristics of various derivative transactions in which CSD engages; (b) material risks of such transactions; and (c) material incentives and conflicts of interest CSD may have in respect of these transactions.

Prior to executing a security-based swap with CSD, we ask that you review the most recent [General Disclosure Statement](#), which is supplemented with [Product Specific Disclosures](#), all as required by SEC Rules 240.15Fh-3(b)(1)(i) and 240.15Fh-3(b)(1)(ii.)

For Equity Derivative Transactions, the ISDA General Disclosure Statement for Transactions should be read in conjunction with the ISDA Disclosure Annex for Equity Derivative Transactions.

Each is found here:

- General Disclosures Document – clearstreet.io/regulatory/XXXXXXX
- Equity Derivatives Disclosure – clearstreet.io/regulatory/XXXXXXX

2. Potential Conflicts of Interest

If CSD determines that it may have a conflict of interest in connection with a particular security-based swap or that it may have received compensation or other material incentives from a source other than the counterparty to the security-based swap in connection with such security-based swap, CSD will notify the counterparty of such apparent conflict of interest or material incentive prior to entering into such security-based swap pursuant to SEC Rule 240.15Fh-3(b)(2). If any such potential conflict of interest involves “Exposure Hedging” or “Pre-Hedging Transactions,” as defined and discussed in CSDs Pre-Hedging Disclosure, that Disclosure shall serve as CSD’s disclosure of any potential conflict.

3. Pre-Hedging Disclosure

Please note that CSD may enter into derivatives, futures, or other transactions with third parties (“**Exposure Hedging or Pre-Hedging Transactions**”) related to derivatives or securities with respect to transactions you may conduct with CSD. Our intention in Exposure Hedging or Pre-Hedging Transactions is to facilitate order

execution and reduce the potential market impact of filling your order, with the goal of minimizing our risk incurred by entering into the transaction and achieving a better price outcome for you. However, there is no guarantee that such activity will have the desired outcome. The Exposure Hedging or Pre-Hedging Transactions between CSD and such third parties shall be entered into with a view to managing risk and may be executed by CSD before—including but not limited to, within the seconds and minutes before—during, or after the pricing or consummation of any directly or indirectly related transactions between CSD and you. Any such Exposure Hedging or Pre-Hedging Transactions or any related discussions or preliminary actions between CSD and such third parties will be entered into by CSD for the purpose of, or in connection with, hedging its actual or potential exposure arising from the transactions between CSD and you (sometimes referred to as pre-hedging or pre-positioning).

For any such transactions, CSD will execute them as principal, not as agent for you. Such Exposure Hedging or Pre-Hedging Transactions may, dependent upon market conditions, have the direct or indirect effect of negatively impacting the price, rate, liquidity, or otherwise adversely affecting the terms of any existing or potential transactions to be entered into by you in relation to such securities or derivatives transactions you may conduct with CSD. This is particularly possible during times of low liquidity in the relevant market. In other words, CSD's good faith efforts in Exposure Hedging or Pre-Hedging Transactions could negatively impact the economics of your existing or potential transactions with CSD, including the price you receive for your transaction with CSD. All securities and derivatives counterparties of CSD are encouraged to review this Pre-Hedging Disclosure, as well as CSD's General Disclosures, closely and contact CSD in the event of any questions or concerns. In absence of your contacting CSD, we will consider you as having acknowledged and accepted the impact/risk arising from such Exposure Hedging or Pre-Hedging Transactions by CSD as described herein.

4. Initial Margin Segregation Disclosure

This notification ("**Notice**") is being provided by CSD pursuant to rule 18a-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") to notify **you and the counterparties of SBSD that you represent** (each, a "**Counterparty**") of certain rights with respect to transactions in security-based swaps ("**SBS**").

We hereby notify you and each Counterparty that SBSD (i) is not a registered broker-dealer that is subject to Exchange Act Rule 15c3-3 and (ii) is exempt from omnibus segregation requirements under Exchange Act Rule 18a-4 pursuant to Rule 18a-4(f).

Notice of Right to Individual Segregation

We hereby notify you and each Counterparty pursuant to Section 3E(f)(1)(A) of the Exchange Act that under Section 3E(f)(1)(B) of the Exchange Act, each Counterparty has the right to require segregation of the funds or other property supplied to margin, guarantee, or secure the Counterparty's uncleared SBS with

SBSD in a segregated account at an independent third-party custodian separate from the assets and other interests of SBSD and designated as a segregated account for and on behalf of the Counterparty. This right to require segregation applies only to SBS that are not submitted for clearing to a clearing agency and does not apply to variation margin payments. Such right is independent of other applicable laws, rules or regulations, if any, that may require segregation of SBS margin or collateral.

Certain Bankruptcy Matters

Any margin collateral received and held by SBSD in respect of uncleared SBS with a Counterparty will not be subject to a segregation requirement under Exchange Act Rule 18a-4. Accordingly, in the event of an insolvency proceeding, receivership or similar process in respect of SBSD, absent an effective segregation of such margin collateral from the property of SBSD established by contract or other law, such a claim could be treated as a general creditor claim against SBSD or its estate.

5. Daily Mark Disclosures

As required by SEC Rule 240.15Fh-3(c)(2), we will provide you with a daily mark for all uncleared security-based swaps. Such daily mark may not necessarily (i) be a price at which either we or you would agree to replace or terminate such swap or security-based swap; (ii) unless otherwise expressly agreed, be the basis for margin calls and maintenance of collateral, if any; and (iii) be the value of the transaction that is marked on our books and records.

The daily mark will be provided to you at such email address we have on record or as you otherwise advise to use. xxx@clearstreet.io

6. Suitability Disclosure

As required by SEC Rule 240.15Fh-3(f)(2)(iii), CSD hereby discloses to you (which disclosure is deemed repeated by CSD as of the occurrence of each communication between CSD and you regarding a swap or SBS) that CSD is acting in its capacity as a counterparty and is not undertaking to act in your best interest or to assess the suitability of any SBS or trading strategy involving a swap or SBS for you.

7. Contact Information

Should you have any additional questions regarding these disclosures, please contact xxx@clearstreet.io.

Complaints may be directed to:
Clear Street Derivatives LLC

c/o Compliance Department
4 World Trade Center
150 Greenwich St Floor 45
New York, NY 10007
(646) 845-0036

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