

XP Investments US, LLC (“XPUS”) is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a U.S. swap dealer (NFA ID: 0444577. LEI number: 549300HDFLS7P433PO89) pursuant to the Commodity Exchange Act (“CEA”), as amended by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act). The CEA and the CFTC regulations promulgated thereunder impose regulatory requirements on swap dealers, including business conduct standards with respect to the transacting of a swap, foreign exchange swap, or foreign exchange forward (each as defined in Section 1a of the CEA and rules thereunder, and collectively, “Swaps”), with certain counterparties.

These business conduct standards mandate that XPUS provide certain disclosures and notifications to its Swap (other than counterparties that are swap dealers, major swap participants, security-based swap dealers or major security-based swap participants) to allow such counterparties to assess the material risks and material characteristics of the Swap and the material incentives and conflicts of interest that XPUS may have in connection with such Swap.

If you are a swap dealer, major swap participant, security-based swap dealer or major security-based swap participant or if you are a non-U.S. person to which XPUS is not required by the CFTC or SEC to provide disclosures and notifications, such disclosures and notifications provided below do not apply to you.

The words, “you” and “your” refer to the XPUS counterparty, and the words “we”, “our” and “us” refer to XPUS.

General Disclosures and Product Specific Disclosures

The International Swaps and Derivatives Association (“ISDA”) has created standard industry documentation, such as general and product specific risk disclosures to capture general risks of Swap transactions. These disclosures describe generally the material risks, material characteristics, and material incentives and conflicts of interest related to Swaps in the following asset classes: interest rates, foreign exchange rates and currencies and credit instruments. The latest published documents are embedded below.

ISDA General Disclosures Statement (July 2021) Annex

Material Risks

Please see the ISDA General Disclosure Statement for Transactions and the ISDA product specific Disclosure Annexes above for material risks related to Swaps required to be provided to you pursuant to CFTC Regulation 23.431(a)(1).

Before entering into any Swap transaction, you should conduct a thorough and independent evaluation of the terms of the transaction in light of your particular circumstances and the nature and extent of your exposure to, and willingness to incur, risk. You should also consider whether the transaction is appropriate for you in light of your experience, objectives, financial and operational resources and other relevant circumstances. Unless expressly agreed in writing, we are not providing you with legal, financial, tax, accounting or other advice in connection with any Swap transaction.

Material Characteristics

Please see the ISDA General Disclosure Statement for Transactions and the ISDA product specific Disclosure Annexes above for the material economic terms of Swaps, the terms relating to the operation of Swaps, and the rights and obligations of the parties during the term of each Swap required to be provided to you pursuant to CFTC Regulation 23.431(a)(2) (“Material Characteristics”). Material Characteristics are subject to and incorporate (i) the relevant ISDA master agreement and ISDA product Annex, if any, or such other master trading agreement and related collateral agreement, if any, previously executed between us, (ii) any master confirmation agreement or other similar agreement in writing between us, and (iii) the terms of any confirmation or other agreement evidencing a Swap transaction, including any terms incorporated by reference therein.

Before entering into any Swap transaction, you should conduct a thorough and independent evaluation of the terms of the transaction in light of your particular circumstances and the nature and extent of your exposure to, and willingness to incur, risk. You should also consider whether the transaction is appropriate for you in light of your experience, objectives, financial and operational resources and other relevant circumstances. Unless expressly agreed in writing, we are not providing you with legal, financial, tax, accounting or other advice in connection with any Swap transaction.

Material Conflicts of Interest

In respect of Swaps between us, our financial market activities may materially affect, either positively or negatively, the value of such Swaps, their usefulness for your intended purpose, the timing or amount of payments or deliveries, and, if applicable, the likelihood that you will be able to exercise any option rights. You should expect that our interests, and the interests of our customers or other counterparties, may at times be adverse to your interests under or in connection with Swaps we transact with you. Unless otherwise required by applicable law or agreed in connection with a particular Swap, we are not acting in your best interests and we are not assessing the suitability of the Swap for you.

XPUS is approved as both an Introducing Broker (“IB”) and a Swap Dealer (“SD”). As a result, there is a possibility that certain XPUS counterparties may be onboarded separately under both registrations. XPUS maintains physical and information barriers between the Associated Persons (“AP”) representing the IB and SD. XPUS may arrange commodity interest product transactions on behalf of an affiliate entity. If you choose to opt-out of any transactions in commodity interest products with an affiliate of XP Investments US, LLC please kindly inform us in writing.

XPUS when acting in the capacity of executing dealer with respect to a Covered PB counterparty, it is solely responsible for complying with Commission Regulation § 23.431(a)(3) (other than § 23.431(a)(3)(i)) with respect to any material incentives or conflicts of interest that are particular to its own actions as the executing dealer, to the extent such obligation would be satisfied by the Standard Disclosure (it being understood that the executing dealer is responsible for determining whether additional disclosure (beyond that contained in the Standard Disclosure)) regarding material incentives or conflicts of interest with respect to its own actions or relationships is necessary in order to satisfy the requirements of Commission Regulation § 23.431(a)(3)).

Please see the ISDA General Disclosure Statement for Transactions above for additional disclosures related to material conflicts of interest that may arise between you and XPUS in respect of Swaps, which are required to be provided to you pursuant to CFTC Regulation 23.431(a)(3).

Pre-Trade Mid-Market Marks and Daily Marks

XPUS is required to provide (i) a pre-trade mid-market mark (“DF Mid”) prior to entering into a Swap with you in accordance with CFTC Regulation 23.431(a)(3), and (ii) a post-trade daily mark (“Daily Mark”) to you in accordance with CFTC Regulation 23.431(d)(2) in respect of uncleared Swaps only (together with DF Mid, “Mid-Market Marks”).

XPUS when acting in the capacity of executing dealer with respect to a Covered PB counterparty, it is solely responsible of the executing dealer for complying with DF Mid requirements. The Foreign Exchange Intermediary/Introducing Broker will be responsible for providing these disclosures to the Covered PB counterparty.

Mid-Market Marks are indicative values based on mid-market levels at the time they are provided to you in the case of DF Mids, and as of the close of business on the indicated date(s) in the case of Daily Marks. Mid-Market Marks exclude amounts for profit, credit reserve, hedging, funding, liquidity, or any other costs or adjustments, as required by the CFTC, and Mid-Market Marks represent the midpoint between the bid and offer.

Mid-Market Marks do not represent (i) the actual terms at which new transactions could be entered into, (ii) the actual terms at which existing transactions could be liquidated or unwound or (iii) the calculation or estimate of an amount that would be payable following the early termination of such transactions pursuant to any master trading agreement to which we are parties. Mid-Market Marks may differ from valuations provided for collateral calculation purposes and should not be used for purposes of calculating amounts due under any credit support arrangement between us. Mid-Market Marks may not necessarily reflect the value that is marked on XPUS's books.

Mid-Market Marks are prepared by discounting projected future cashflows to arrive at a current value. For each asset class, spot and forward curves, correlation and volatility levels are determined on the basis of observable market inputs when available and on the basis of estimates when observable market inputs are not available. These spot and forward curves, correlation and volatility levels are used to estimate future cashflows that are not certain (for example floating interest rates or options). In some cases, we may use probabilistic models to determine the expected value of future cashflows. These estimated cashflows, along with future cashflows that are known with certainty, are then discounted to their present value using discount factors derived from relevant market inputs.

In our sole discretion, we may use a variety of methodologies to prepare the estimated cashflows described above, including without limitation, preparing Monte Carlo simulations, utilizing Black-Scholes, or other mathematical pricing models. In our sole discretion, we may vary the inputs used in such simulations and modelling, and we are under no obligation to disclose to you the methodology used or the inputs thereto. Calculations based on different inputs or assumptions may yield different results. XPUS expressly disclaims any responsibility for (i) the accuracy of the models or estimates used in

deriving Mid-Market Marks, (ii) any errors or omissions in computing or disseminating Mid-Market Marks and (iii) any uses to which Mid-Market Marks are put.

With respect to any cleared Swaps originally executed between you and XPUS, you have the right, upon request, to receive a daily mark from the appropriate derivatives clearing organization in accordance with CFTC Regulation 23.431(d)(1).

Scenario Analysis

With respect to each Swap between us that is not made available for trading on a swap execution facility or designated contract market, prior to transacting you may request, and consult on the design of, a scenario analysis to allow you to assess your potential exposure in connection with such Swap in accordance with CFTC Regulation 23.431(b).

Clearing Disclosures

With respect to any Swap that is subject to the mandatory clearing requirements under Section 2(h) of the CEA, subject to the terms of any agreement between us and to applicable laws, you have the sole right to select the derivative clearing organization or clearing agency at which the Swap will be cleared. With respect to any Swap that is not subject to these mandatory clearing requirements but is eligible for clearing, subject to the terms of any agreement between us and to applicable laws, you may in your sole discretion elect to clear such Swap, and, if you so elect, select the derivative clearing organization or clearing agency at which the Swap will be cleared.

Upon acceptance of a Swap for clearing:

- a. The original Swap between us is extinguished;
- b. The original Swap between us is replaced by equal and opposite Swaps with the clearing agency; and
- c. All terms of such Swaps will conform to the product specifications of the cleared Swap established under the clearing agency's rules.

Segregation of Assets Held as Collateral in Uncleared Swap Transactions

Swaps

For any Swaps where Initial Margin is required to be exchanged, you have the right to require that such Initial Margin be segregated in accordance with CFTC Regulations 23.702 and 23.703 except in those circumstances where segregation is already required pursuant to rules adopted by XPUS's prudential regulators in the U.S. Upon request, we will identify one or more custodians, which must be creditworthy and must be a legal entity independent of both XPUS and you, as an acceptable depository for the segregated Initial Margin.

If you elect not to segregate Initial Margin, XPUS is required to, on a quarterly basis, report to you whether the back-office procedures of XPUS relating to margin and collateral requirements were, at any point during the previous calendar quarter, not in compliance with the agreement between us.

Customer Complaints

Swap dealers and security-based swap dealers are required to provide a notice to each counterparty that contains the physical address, email or other widely available electronic address and telephone number of the department of the swap dealer/security-based swap dealer to which any complaints may be directed. You may direct complaints via email to compliance@xpi.us.