

Important Information Regarding Marks for Swaps

Information For All Swaps:

Each Pre-Trade Mark or Daily Mark, as defined below, for a swap, as defined by the Commodity Exchange Act ("CEA"), including any "foreign exchange swap" or "foreign exchange forward," as defined by the CEA (each, a "Swap") between you and FalconX Bravo, Inc. ("FalconX") is provided to you subject to the terms and conditions set forth in these notes.

Each Mark is either the pre-trade mid-market mark for the relevant proposed Swap that FalconX is required to deliver to you pursuant to Section 23.431(a)(3)(i) of the rules promulgated by the Commodity Futures Trading Commission ("CFTC")(the "Pre-Trade Mark"), or the daily mark for the date specified for the relevant swap that FalconX is required to deliver to you pursuant to Section 23.431(d)(2) of the rules promulgated by the CFTC ("Daily Mark"). All Pre-Trade Marks and Daily Marks are shown from your point of view. FalconX will not be required to provide a Pre-Trade Mark for certain transactions covered by CFTC no-action letters if a counterparty has agreed in advance, in writing, that FalconX need not disclose such Pre-Trade Mark.

Each Pre-Trade Mark is the midpoint between the bid and offer, or the calculated equivalent thereof at the time such mark is delivered, and each Daily Mark is the fair market value, as of the close of business in New York of the previous business day, but in each case without taking into account any amounts for profit, credit reserves, hedging, funding, liquidity and other relevant costs, reserves and adjustments that would be included in an executable price for the Swap. The marks for a Swap can change from day to day as a result of changes in the relevant economic markets. These changes, which can be sudden and material, can make the next Daily Mark for the relevant Swap substantially less favorable from your point of view.

Because a Pre-Trade Mark does not include amounts for profit, credit reserves, hedging, funding, liquidity and other relevant costs, reserves and adjustments, it is highly likely to differ from the price at which FalconX is willing to enter into the relevant proposed Swap. That difference is not necessarily indicative of the profit, if any, that FalconX will realize from the relevant proposed Swap, which will be dependent on a number of variables including, without limitation, price volatility, market liquidity and relevant hedging activity, if any, by FalconX. Because a Pre-Trade Mark or Daily Mark does not include amounts for profit, credit reserves, hedging, funding, liquidity and other relevant costs, reserves and adjustments, a) the Pre-Trade Mark or Daily Mark may not represent the price at which either you or FalconX would agree to replace or terminate the Swap, b) the Pre-Trade Mark or Daily Mark may not necessarily be the value of the Swap that is marked on the books and records of FalconX, and c) depending upon the agreement of the parties, calls for margin may be based on considerations other than the Pre-Trade Mark or Daily Mark provided to the counterparty. If FalconX is obligated pursuant to the terms of any contract or otherwise agrees to quote a live price to terminate a Swap prior to its stated maturity, that live price may differ from the most recent Daily Mark for the Swap.

Each Pre-Trade Mark and Daily Mark is provided solely for the information of the counterparty to the Swap and is not intended for the benefit of any other party. Data used in calculating a Pre-Trade Mark and Daily Mark may be obtained from third party sources that FalconX believes are reliable, but may not have been independently verified. FalconX specifically disclaims liability for any use the recipient may make of any Pre-Trade Mark and Daily Mark, including, without limitation, use of such mark in the preparation of its own financial books and records. FalconX provides each Pre-Trade Mark and Daily Mark without charge and without restrictions on the internal use of such mark by the counterparty.

Information For Commodity Derivative Transactions:

Each Pre-Trade Mark and Daily Mark is derived from underlying spot prices, applicable futures prices, forward points and implied volatilities obtained from a combination of different independent pricing sources and exchange price files. These price components are entered into FalconX's trading and back-office systems where they utilize industry standard forward curve construction methodologies and option pricing models including, but not limited to, Black Scholes to calculate such mark. Each Daily Mark and Pre-Trade Mark: a) is generally used by FalconX to prepare its own financial books and records for the relevant type of swap or forward; and b) is prepared using price data inputs, at the time such mark is delivered, in the case of Pre-Trade Marks, or as of the close of business of the previous business day, in the case of Daily Marks. Pre-Trade Marks and Daily Marks do not include a bid-offer spread and other costs, reserves and adjustments that would be included in an actual market price. In general, the valuation models used by FalconX reflect assumptions by FalconX regarding past, present and future market conditions including liquidity of markets, trading volumes and interest rates. Because of these circumstances, a Daily Mark or Pre-Trade Mark will not necessarily be indicative of, and may be materially different from, the value which any other person might assign to the relevant proposed swap, including a person that is affiliated with FalconX.

Additional Information For Swap Transactions with Interest Rate Component:

Each mark represents an estimate of the net present value (NPV) of the expected future cash flows from the relevant Swap calculated using a) the proprietary valuation models that are used by FalconX to prepare its own financial books and records for the relevant type of swap, and b) relevant mid-market price data inputs at the time the mark is delivered, in the case of Pre-Trade Marks, or as of the close of business in New York of the previous business day, in the case of Daily Marks. Marks do not include a bid-offer spread and other costs, reserves and adjustments that would be included in an actual market

price. In general, the valuation models used by FalconX are based on appropriate discounting of fixed and floating cash flows (e.g., using the Federal Funds rate as the discount rate) as well as the appropriate projection of floating cash flows and reflect assumptions by FalconX regarding past, present and future market conditions including liquidity of markets, trading volumes and interest rates. Because of these circumstances, a mark will not necessarily be indicative of, and may be materially different from, the value which any other person might assign to the relevant swap, including a person that is affiliated with FalconX.