

**Dear Valued Customer,**

We are taking this opportunity to make certain disclosures to you ("you" or "client") and remind you of certain important Securities and Exchange Commission ("SEC") and self-regulatory organization ("SRO") rules and regulations that apply to the business we do with you.

**I) Order Handling and Routing Information**

**1. ORDER HANDLING**

Daiwa Capital Markets America Inc. ("DCMA" or the "firm") considers many factors in determining where to send customer orders for execution. These factors include, among other things: the size and type of order, the terms and conditions of the order, the trading characteristics of the security, the character of the market for the security, the accessibility of quotations, associated transaction costs, the speed of execution, the availability of efficient and reliable order handling systems, the service provided by the market venue, and the customer's overall objectives with respect to the market. DCMA regularly reviews transactions for quality of execution, including transactions that we may direct to an offshore broker dealer for execution in a foreign market.

DCMA handles "Working" or "not held" orders it receives with the objective of achieving the best overall execution possible. Achieving best execution may involve DCMA acting in the capacity of agent, riskless-principal, principal, or, in the event of multiple executions, in more than one capacity. When DCMA acts in more than one capacity, the confirmation will reflect this fact.

If you give DCMA an order on a "not held", "working" or "careful discretion" basis, DCMA will use its discretion to try to obtain the "best execution" possible considering applicable conditions and circumstances. While we have such an order, it is possible that DCMA may execute a trade for its own account at the same or a better price than all or some of your order receives. DCMA must obtain your consent in order to trade for its own account while your order is pending.

If we execute your order at various prices consistent with the terms of your instructions, confirmations will reflect an average price of the executions. The confirmation will clearly state that the price is an "average price". We calculate average prices by multiplying the number of shares executed at each price, adding all sums and dividing by the aggregate number of shares executed. You may request detail on the individual executions comprising an average price transaction.

**2. ROUTING INFORMATION**

Most order handling at DCMA is "Not Held", however, under Rule 605 of SEC Regulation NMS, market centers that trade national market system securities are required to make publicly available monthly electronic reports that include uniform statistical measures of execution quality. Under Rule 606 of SEC Regulation NMS, broker-dealers that route customer orders in equity and options securities are required to disseminate quarterly reports that, among other things, identify the routing and execution venues of customer orders.

DCMA publishes its 605 and 606 statistical information reports at: <https://us.daiwacm.com/disclosure-documents/sec-rule-605-and-606/> DCMA will, upon written request, identify the venue to which an order was routed for execution in the six months prior to the request, whether the order was directed or non-directed, and the time of the transaction, if any, that resulted from such order.

**3. PAYMENT FOR ORDER FLOW**

DCMA may receive remuneration and may pay fees to certain exchanges, broker-dealers, ECNs, and other market centers for directing limit orders and market orders in equity securities to them. When DCMA receives remuneration, it is considered compensation to the firm, and the source and amount of any compensation received by the firm in connection with your transaction will be disclosed upon request in accordance with SEA Rule 607.

**4. FOREIGN AFFILIATES**

DCMA may route to a foreign affiliate any order received from you for non-U.S. security or market. In these instances, the affiliate may have acted as principal or agent and as a result derived compensation from the transaction. Additional information is available upon written request.

**5. SHORT SALES**

Prior to the entry of any short sale in an equity or convertible security, you must provide the name or "MPID" of the Broker-Dealer from which you have secured a "borrow" of the shares to be sold. Our systems require this information before accepting a short sale order. If DCMA is not borrowing the security on your behalf, you must provide us with reasonable grounds to believe that you will deliver the security for settlement. If you do not deliver the security on settlement date, DCMA must buy-in your position at your risk at the market opening of the next business day.

**6. MARKET ON CLOSE ("MOC") / LIMIT ON CLOSE ("LOC")**

On April 1, 2019, NYSE changed the cut-off time for the entry of Market on Close ("MOC") and Limit on Close ("LOC") orders (unless offsetting a Mandatory MOC/LOC Imbalance) from 3:45 PM to 3:50 PM. Mandatory MOC/LOC Imbalance Publication and publication of the order imbalance information also moved to 3:50 PM. MOC and LOC orders can be entered or cancelled for any reason until 3:50 PM. While only MOC and LOC Orders that offset the Mandatory MOC/LOC Imbalance Publication will be accepted after 3:50 PM. Requests to cancel MOC, LOC, and Closing Offset Orders between 3:50 PM and 3:58 PM will be accepted only to correct a legitimate error, and cancellation requests after 3:58 PM will continue to be rejected.

For Nasdaq markets, MOC orders must be received prior to 3:55 PM. LOC orders received after 3:55 PM will be accepted at its limit price, unless its limit price is more aggressive than the 3:55 PM Reference Price, in which case the LOC order will be re-priced to the 3:55 PM Reference Price. Additional Information regarding MOC /LOC orders is available at [https://www.nasdaqtrader.com/content/ProductsServices/Trading/Crosses/openclose\\_faqs.pdf](https://www.nasdaqtrader.com/content/ProductsServices/Trading/Crosses/openclose_faqs.pdf)

For securities traded through other electronic market centers, please consult the rules of the market center or contact your DCMA representative for information on the applicable deadlines and restrictions.

**7. PROGRAM TRADING**

If your order is "program trading", you must so advise DCMA at the time you enter your order. Program trading is defined as any coordinated trading strategy involving the related purchase or sale of a "basket" or group of 15 or more stocks. Program trading includes the purchase or sale of stocks that are part of a coordinated trading strategy even if the purchases or sales are neither entered, nor executed contemporaneously, or if they are part of a trading strategy involving options or futures contracts on index stock groups, or options on any such futures contract, or otherwise relating to a stock market index. You must also give DCMA advance notice of any index arbitrage transactions that you do through DCMA. Index arbitrage is defined as a trading strategy in which pricing is based on discrepancies between a "basket" or group of stocks and the derivative index product. While the purchase or sale of the stocks must be in conjunction with the purchase or sale of derivative index products, the transactions need not be executed contemporaneously to be considered index arbitrage. The term "derivative index products" refers to cash-settled options or futures contracts on index stock groups, and options on any such futures contracts. Your DCMA representative can advise you on program trading and index arbitrage questions.

**8. NET TRANSACTIONS**

FINRA Rule 2124 requires its members to disclose and obtain customer consent prior to executing a transaction for or with a customer on a net basis. DCMA will treat your account as consenting to trading with DCMA on a net basis unless you advise DCMA otherwise as to all orders or any particular order. If you do not wish to have your orders executed on a net basis, please call your registered representative at (212) 612-7000, write us or e-mail our Compliance Department at [Compliance@us.daiwacm.com](mailto:Compliance@us.daiwacm.com).

**9. ODD LOT TRADING**

DCMA is not permitted to engage in the following:

- unbundling round-lots for the purpose of entering odd-lot orders;
- failing to aggregate odd-lot orders into round-lots when such orders are for the same account or for various accounts in which there is a common monetary interest;
- entering both buy and sell odd-lot limit orders in the same stock before one of the orders is executed, for the purpose of capturing the spread in the stock; and,
- any other types of trading activity in odd-lot orders that are not consistent with traditional odd lot investment activity, including index arbitrage certain types of program trading or any pattern of activity that would suggest day trading.

Odd-lot limit orders may be entered as part of a program-trade provided such odd lot orders in the aggregate constitute a relatively small part of the overall program; a program consisting primarily of odd-lot orders is not permitted.

**10. NYSE MKT RULE BASED TRADING PROHIBITIONS**

You may not enter to the NYSE MKT buy and sell limit orders for execution in the same Index Fund Shares, Portfolio Depositary Receipts, Trust Issued Receipts and Fixed Income Trust Receipts for the account or accounts of the same or related beneficial owner, in such a manner that the member or beneficial owner(s) effectively is operating as a market maker by holding itself out as willing to buy and sell such securities on a regular or continuous basis. The NYSE determines whether a member or beneficial owner operates as a market maker by: considering the simultaneous or near-simultaneous entry of limit orders to buy and sell the same securities; the multiple acquisition and liquidation of positions in the same securities, during the same day; and the entry of multiple limit orders at different prices in the same securities.

**11. DIRECT MARKET ACCESS / SYSTEM CONTROLS**

Through DCMA's direct market access services ("DMA Services"), you may have direct access to stock exchange/market place systems ("Systems") to execute certain of your equity orders. As a user of DMA Services, there are certain exchange/market place rules imposed on both the members and the users of the Systems. You are responsible for ensuring that individuals entering orders using the DMA Services adhere to the following regulatory requirements. You must have in place:

- controls that limit use of the Systems to authorized persons/parties;
- controls which check for validation of order accuracy;
- controls which establish limits and/or prohibitions, to prevent orders exceeding preset credit and order size parameters from being transmitted for execution; and,
- controls that monitor for duplication/retransmission of orders previously transmitted for execution.

You must know the specific trading and size limits established for each account's orders. Test messages should be pre-cleared with DCMA, clearly denoted as such, and may not be sent in the guise of an actual order.

The applicable rules and regulations of the exchanges/marketplaces are subject to change. You are responsible for complying with and are expected to comply with the most current applicable rules and regulations. If you have any questions, please contact your account representative.

**12. LARGE TRADER IDENTIFICATION**

If you are a Large Trader in NMS securities as defined under SEC Rule 13H, you are required to provide DCMA with your Large Trader Identification Number ("LTID") and identify all accounts held at DCMA to which the LTID applies. DCMA's LTID number is **13806837-0003**.

**13. FINRA RULE 5320 DISCLOSURE**

FINRA Rule 5320 ("Rule 5320") generally prohibits a broker-dealer that accepts and holds an order in an equity security from its customer or a customer of another broker-dealer without immediately executing the order from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account. When you place a "not held" order, which is generally a discretionary order, with us we may trade in the security for our own account prior to completion of your order and at the same or better price than you receive. With respect to the orders of an "institutional account", or for orders of 10,000 shares or more with a value of at least \$100,000, Rule 5320 permits a broker-dealer to trade an equity security on the same side of the market for its own account at a price that would satisfy such customer order provided that the broker-dealer has provided clear and comprehensive written disclosure to such customer at account opening and annually thereafter that:

- (i) Discloses that it may trade for its own account at prices that would satisfy the customer order; and,
- (ii) Provides the customer with a meaningful opportunity to opt in to the Rule 5320 protections with respect to all or any portion of the customer's order.

Pursuant to Rule 5320, you may choose to withhold your consent and disallow DCMA from trading alongside your orders by notifying DCMA in writing.

Make notification to:

Daiwa Capital Markets America Inc.  
Attn: Compliance Department  
Financial Square, 32 Old Slip 12<sup>th</sup> Floor  
New York, New York 10005-3538

Please note that even if you have notified us in writing that you disallow DCMA from trading for its own account alongside your order, DCMA may still obtain your consent on an order-by-order basis.

**14. FINRA RULE 5270 DISCLOSURE**

FINRA Rule 5270 prohibits a broker-dealer from trading for its own account while taking advantage of knowledge of an imminent client block transaction, and DCMA employees restricted from engaging in such activity. Rule 5270 recognizes certain exceptions to this general prohibition. Among the exceptions, the Rule does not prevent a broker-dealer from trading for its own account for purpose of fulfilling or facilitating the execution of a client's block transaction. You should be aware that DCMA may engage in trading to hedge the risk related to any block transaction it executes for you by using market data and other forms of permissible information that are available to us. This hedging activity may coincidentally impact the market prices of the securities or financial instruments you are buying or selling. DCMA will always conduct trading activities in a manner designed to limit market impact and consistent with our best execution obligations.

**15. DCMA STOP ORDER Disclosure**

A "stop order" is an order to buy (or sell) that becomes a market order to buy (or sell) when a transaction occurs at or above (below) the stop price. A "stop limit order" is an order to buy (or sell) that becomes a limit order to buy (or sell) at the limit price when a transaction occurs at or above (below) the stop price. When the stop price is triggered, DCMA is required to execute fully and promptly at the current market price. Therefore, the price at which a stop order is executed may be very different from your specified stop price. While you may receive a prompt execution of a stop order that becomes a market order during volatile market conditions, the execution may be at a significantly different price from the stop price if the market is moving rapidly. Furthermore, the price of a stock can move significantly in a short period during volatile market conditions and trigger an execution of a stop order (and the stock may later resume trading at its prior price level). If your stop order is triggered under these circumstances, you may transact at an undesirable price even though the price of the stock may stabilize during the same trading day. Additionally, the activation of sell stop orders may add downward price pressure on a security. If triggered during a precipitous price decline, a sell stop order is also more likely to result in an execution well below the stop price. By using a stop limit order instead of a regular stop order,

you will receive additional certainty with respect to the price paid or received for the stock. However, you should also be aware that DCMA cannot sell for a price that is lower (or buy for a price that is higher) than the limit price selected. As a result, there is the possibility that the order will not be executed at all. Stop limit orders (as opposed to stop orders) should generally be used in cases where you prioritize achieving a desired target price more than getting an immediate execution, the price of which may be significantly impacted by volatility in the relevant security

**16. DISCLOSURES TO FIXED INCOME PRODUCT CLIENTS**

DCMA has set forth standard business practices and terms of dealing generally with its customers (together with other market participants, “counterparties”) in principal-to-principal transactions involving Financial Products (as well as when you act as agent for another principal). These terms are outlined in the Fixed Income Disclosure document available at: <https://us.daiwacm.com/wp-content/uploads/2020/07/DISCLOSURE-TO-FIXED-INCOME-PRODUCTS-CLIENTS-1.pdf> If you have questions after reading this document or concerning DCMA's dealings with you, we encourage you to contact your DCMA representative.

**II) Account Operation**

**1. LENDING OF SECURITIES**

DCMA does not lend securities in your account that are in our custody for use in connection with short sales and consequently DCMA does not ask its customers for permission to do so. DCMA nevertheless is required by law to inform you that you may elect not to allow your fully paid securities to be used in connection with short sales.

**2. TRADING AUTHORIZATION**

DCMA requires you to designate and notify us in writing of the names of the person(s) who are authorized to give us orders or instructions for your account. Unless and until we are notified by you in writing to the contrary, we will be entitled to assume that each such person(s) that you designate have full and unrestricted power to give us orders and instructions on your behalf and we shall be entitled to rely and act without further inquiry on any orders and instructions which we reasonably believe in good faith to have been given by any such person(s). If you send orders or changes to DCMA through an electronic system, you agree that DCMA may treat any communication received with account information and security codes or procedures assigned to your firm as being authentic, and DCMA shall be entitled to rely and act without further inquiry on those communications. We also remind you that you may change these designations or security codes or procedures at any time directly with or through your registered representative or DCMA's Compliance Department via email to: [Compliance@us.daiwacm.com](mailto:Compliance@us.daiwacm.com).

**3. FAILS CHARGE TRADING PRACTICES FOR TREASURY SECURITIES AND U.S. AGENCY DEBT AND MORTGAGE-BACKED SECURITIES**

DCMA has adopted the Fails Charge Trading Practices for Treasuries and U.S. agency securities (found at <http://www.sifma.org/services/standard-forms-and-documentation/fails-charge-trading-practices>) as amended on April 18, 2018, for all delivery versus-payment or delivery-versus-transfer transactions in U.S. Treasury, certain U.S. agency debt and certain U.S. agency mortgage-backed securities. DCMA will use the procedures recommended by the Treasury Market Practices Group unless we and you agree on individual procedures for specified transactions. By entering into any such transaction with DCMA in U.S. Treasury securities, U.S. agency debt and certain U.S. agency mortgage-backed securities, you agree to the use of the applicable Fails Charge Trading Practice unless we and you explicitly agree otherwise with respect to a specific transaction. Similarly, we agree that the transaction will be subject to the applicable Fails Charge Trading Practice, unless we and you explicitly agree otherwise.

**4. TMPG GUIDELINES ON BILATERAL MARGINING OF FORWARD SETTLING MBS TRANSACTIONS**

If DCMA enters into forward settling MBS transactions that do not clear through the Mortgage-Backed Securities Division of the Fixed Income Clearing Corporation (“uncleared MBS forwards”), DCMA implements two-way, mark-to-market margining consistent with the best practice recommendations of the Treasury Market Practices Group (“TMPG”) and

FINRA Rule 4210. In those cases, DCMA requires a Master Securities Forward Trading Agreement (“MSFTA”) executed by its MBS trading counterparties. DCMA calculates mark-to-market variation margin daily and will call for margin from its MBS forward counterparties as set forth under the MSFTA, consistent with FINRA’s Margin Rule 4210, when the applicable provisions of this rule becomes effective.

**5. TAX OBLIGATIONS & WITHHOLDING**

DCMA will withhold taxes and other charges imposed by governmental authority from any payments made into or from your account and will not gross-up or reimburse you for any such amount withheld. You are responsible for making any refund or similar claim for amounts so withheld. You will provide DCMA with all documentation necessary from time to time to establish your tax status and you will immediately advise DCMA in writing if your tax status changes or if any tax documentation provided to DCMA is incorrect, incomplete or misleading. DCMA will not provide you with tax advice and you are not entitled to rely upon any statements made by DCMA regarding your tax status or the application of tax laws.

International Taxpayers may be subject to Fixed, Determinable, Annual, or Periodical (“FDAP”) income tax in income which is not effectively connected with your U.S. trade or business. Additional information and IRS guidance is available at <https://www.irs.gov/individuals/international-taxpayers/fixed-determinable-annual-periodical-fdap-income>

You will indemnify DCMA against and hold DCMA harmless from any tax, withholding, interest, penalty or other liability arising from the account except to the extent only interest or a penalty are caused by DCMA’s own gross negligence or willful misconduct.

**6. RESOLUTION STAY REQUIREMENTS**

DCMA is not required under U.S. law to include contractual provisions relating to regulatory resolution stays in its agreements with customers and counterparties. DCMA has nevertheless adhered to the ISDA 2018 U.S. Resolution Stay Protocol. DCMA is generally not required to include similar provisions under the laws of Japanese or other G-20 jurisdictions. Please contact your DCMA representative if laws applicable to you require that contractual provisions concerning resolution stays be included in your agreements with DCMA. Frequently Asked Questions concerning ISDA 2018 U.S. Resolution Stay Protocols are available here:

<https://www.isda.org/a/VakME/ISDA-2018-U.S.-Protocol-FAQs-Final-with-2019-Updates.pdf>

**III) Regulatory Disclosures**

**1. EXTENDED HOURS TRADING RISK DISCLOSURE**

If DCMA is operational during non-regular trading hours (before 9:30 a.m. and after 4:00 p.m.) you will have the capability to execute trades during the extended hours.

Please be aware of the following additional risks associated with trading during extended hours:

- Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.



- Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.
- Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.
- Risk of News Announcements. Generally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

## **2. FINRA BROKERCHECK**

FINRA provides its "BrokerCheck" service for checking the professional backgrounds of firms and individual representatives at its web site at <http://brokercheck.FINRA.org> or by telephone through the FINRA BrokerCheck Hotline, (800) 289-9999, M-F 8am-8pm ET. An investor brochure regarding the FINRA BrokerCheck Program is available through the FINRA web site. Upon written request, DCMA can deliver an investor brochure that includes information describing the FINRA BrokerCheck Program.

## **3. ANTI-MONEY LAUNDERING**

The USA PATRIOT Act (the "Act") is designed to detect, deter, and punish terrorists in the United States and abroad and imposes anti-money laundering ("AML") requirements on brokerage firms and financial institutions. Under the Act's provisions, all financial institutions are required to have comprehensive AML programs. As part of our AML program, and pursuant to Section 326 of the Act, we are required by law to ask you, and will ask you, to provide various identification documents or other information prior to effecting any transactions for you. Our own AML Statement of Policy is publicly available at: <https://us.daiwacm.com/wp-content/uploads/2019/10/AML-Statement-of-Policy-2021.pdf>

## **4. PRIVACY POLICY**

DCMA deals almost exclusively with Legal Entity Institutional customers and has implemented an Identity Theft Prevention Program under the CFTC, SEC and FTC FACT Act Red Flags Rule to protect and safeguard any personally identifying information it may retain in its systems in connection with these Institutional accounts. Moreover, the following policies apply to DCMA's collection and disclosure of personal information of retail customers as they relate to United States products and services used primarily for personal, family or household purposes. You may have different or additional rights under other foreign or domestic laws. DCMA collects, uses, and retains information when necessary to provide personal financial services and related products to you.

We collect nonpublic personal information from the following sources: your applications and other DCMA forms; our affiliates or others regarding your transactions; and from consumer-reporting agencies. We maintain physical, electronic and procedural safeguards for your nonpublic personal information. We disclose your nonpublic personal information to those DCMA employees who have a need to know that information; as authorized by you; to others that perform marketing, processing, credit review, reporting or administrative services for us; as required or permitted by law or regulation (such as to auditors, law enforcement and regulatory agencies, including US, Japanese and other countries);

and to affiliates that provide business services for us for your benefit, assist us in offering our or their products and services to you, or facilitate processing your transactions.

The Fair Credit Reporting Act allows you to limit the sharing of certain “non-experience information” within the Daiwa group of affiliates. Non-experience information is information not related solely to your transactions or other experiences with us, such as information from (i) your applications, such as your income or marital status; (ii) a credit report, your credit history; or (iii) from sources used to verify representations made by you, such as your open lines of credit or employment history.

**If you want to direct us not to share non-experience information about you with DCMA affiliates as defined above, please call us at New Accounts (212) 612-7000 or write to us.**

DCMA will make available any file we may maintain for your personal information if you ask us in writing, except that any information collected in connection with, or in anticipation of, any claim or legal proceeding or regulatory inquiry may not be made available. If you notify us that any information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in any future disclosure of the disputed information.

**California residents:** The California Consumer Privacy Act of 2018 provides consumers who are natural persons residing in California with specific rights regarding their personal information, including: (i) the right to know what personal information we collect, use, disclose or share; and (ii) the right to delete personal information that we collected or retained, **except** that we may deny your deletion request if we are required to collect and retain this information to comply with federal laws in order to provide services to you. We do not sell your personal information.

You may exercise your access and deletion rights by submitting a verifiable request to us via email to: [Compliance@us.daiwacm.com](mailto:Compliance@us.daiwacm.com); or, by speaking directly to your registered representative.

#### **5. CUSTOMER COMPLAINTS**

All complaints should be made by writing to the DCMA Compliance Department, Attention: Chief Compliance Officer, Daiwa Capital Markets America Inc., Financial Square, 32 Old Slip, 12th Floor, New York, New York 10005-3538, or by calling the DCMA Compliance Department, 212-612-7000. Please describe the complaint in detail.

#### **6. RECORDED TELEPHONE CONVERSATIONS**

DCMA may record telephone conversations with your trading, sales and other personnel. By transacting with DCMA, you are deemed to have consented, to the extent permitted by applicable law, to the submission of such recordings as evidence in any legal or other proceedings, or to the submission of such recordings to any regulator, court or other authority having jurisdiction over DCMA, upon request.

#### **7. FUTURES COMMISSION MERCHANT DISCLOSURES**

DCMA is registered as a Futures Commission Merchant with the Commodity Futures Trading Commission, a member of the National Futures Association and a clearing member on the Chicago Mercantile Exchange. All CFTC and NFA required disclosures are publicly available at <https://us.daiwacm.com/wp-content/uploads/2019/10/CFTC-Rule-1.55-FCM-Specific-Disclosure-Document-2.pdf>

#### **8. BUSINESS CONTINUITY**

DCMA has implemented a Business Continuity Plan (“BCP”) to lessen the effects of a business disruption. The BCP includes steps to protect information, processes and customer data, and to allow the continued operation of critical functions. Our BCP also includes technical, organizational, facilities, regulatory, and operational plans to assist DCMA to continue operating under different disruption scenarios.



If a business disruption prevents us from operating out of our primary office location, for any reason whatsoever, DCMA will execute its BCP. Critical employees will relocate to our Disaster Recovery Offices located in different cities and states. From these offices, we expect to be able to operate our critical systems and processes. Depending on the type of event and its severity, operations should be resumed within half a business day, assuming all mission critical vendors and partners are able to recover in a similar time frame. If a large-scale disruption affects the entire northeast region, DCMA plans to work with our international affiliates in Japan and London to fulfill our existing customer obligations and regulatory requirements. DCMA also has a branch office in San Francisco, California ("SFO") that is part of the overall BCP contingency process and for which BCPs are also in place. DCMA performs quarterly testing of its BCP to assess the degree to which our critical systems and processes are recoverable from our Disaster Recovery Offices. Our BCP is subject to periodic modification.

During the Covid-19 pandemic, DCMA personnel have worked on-site at DCMA's OSJ and branch locations, and remotely from BCP sites and from their homes via secured remote access.

DCMA posts the BCP plan statement on the website at: <https://us.daiwacm.com/wp-content/uploads/2019/10/Business-Continuity-Plan.pdf> as promptly as possible after any significant modification. A copy of our full BCP is also available upon written request to Daiwa Capital Markets America Inc., Financial Square, 32 Old Slip, New York, New York 10005.

#### **9. SECURITIES INVESTOR PROTECTION CORPORATION**

DCMA is a member of the Securities Investor Protection Corporation ("SIPC"). The SIPC telephone number is (202) 371-8300 and the website address is <http://www.sipc.org>. You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC.

#### **10. INFORMATION UNDER ARTICLE 15 OF THE EUROPEAN UNION SECURITIES FINANCING TRANSACTIONS REGULATION.**

DCMA provides an Information Statement in accordance with Article 15 of the Securities Financing Transactions Regulation for the benefit of any of its customers that are:

- located or organized in the European Union,
- acting through a branch located in the European Union or
- transacting under an agreement allowing re-use of collateral consisting of financial instruments from a counterparty established in the European Union or acting through a branch in the European Union, and
- that have entered into any title transfer or security collateral arrangements with DCMA containing a right of use.

The Information Statement is available at <https://us.daiwacm.com/wp-content/uploads/2019/10/Article-15-SFTR.pdf>.

#### **11. MiFID II DIRECTIVES AND LEGAL ENTITY IDENTIFIER**

DCMA is not a MiFID subject entity. However, some of our European affiliates may be and we may route your order to them for execution from time to time. When we route your order to one of our European affiliates, we may need to provide them with certain required information about your account so that they may satisfy their MiFID record-keeping requirements. At a minimum, we may need to provide them with your Legal Entity Identification number ("LEI"). If you are a MiFID subject entity, you may need our LEI number for your records. DCMA's LEI number is **M67H5PRCONQKM73ZAS82**.