



European Market Infrastructure Regulation (“EMIR”) - Portfolio Reconciliation, Portfolio Compression and Dispute Resolution Obligations

EMIR imposes various risk mitigation obligations on two counterparties trading non-cleared OTC derivatives transactions. The portfolio reconciliation, portfolio compression and dispute resolution come into effect from 15 September 2013. We are writing to you to provide you some information regarding these risk mitigation obligations and how we are complying with these obligations.

These obligations require us to agree in writing the terms of our portfolio reconciliation and procedures on dispute resolutions in respect of our outstanding non-cleared OTC derivatives transactions.

If you are conducting transactions with us under our standard terms of business, we are amending our standard terms by including new terms on EMIR (“EMIR Terms”). You are not required to sign the EMIR Terms; however the EMIR Terms will come into effect automatically after 15 September 2013 if you continue to place orders for non-cleared OTC derivatives. If you disagree with the EMIR Terms, you must notify us immediately. The EMIR Terms can be accessed this area of our website.

If you are conducting transactions with us under the ISDA Master Agreement, we urge you to immediately adhere to the ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol. Adherence to the Protocol can be done via the ISDA website by clicking [here](#).

If you have not adhered by 15 September 2013 and you continue to trade non-cleared OTC derivatives transactions, we will deem that you have accepted our EMIR Terms. The EMIR Terms can be accessed this area of our website.

Portfolio Compression

In respect of portfolio compression, we will contact you separately only where we have at least 500 OTC derivatives transactions outstanding with you.

If you have any questions please to contact us at EMIRCompliance@edfmancapital.com.