

# Information Statement & Disclosure for Material Characteristics

We are providing this Information Statement & Disclosure for Material Characteristics Statement (“Statement”) and, if applicable, any related supplemental disclosure statements pursuant to certain rules of the Commodity Futures Trading Commission (“CFTC”) that relate to swaps and of the Securities and Exchange Commission (“SEC”) that relate to security-based-swaps (“SBS”) (swaps and SBS each a “Covered Product”).

This Statement is only intended for eligible contract participants as such term is defined in Section 1a(18) of the Commodity Exchange Act and the regulations issued thereunder and under the Securities Exchange Act of 1934. Further this document is not intended to be an offer of a security-based swap under Section 5 of the Securities Act of 1933.

## Material Characteristics

CFTC Rule 23.431(a)(2) and SEC Rule 15Fh-3(b) require<sup>1</sup> Wells Fargo Bank, N.A. (“WFBNA”, “we”, “us” or “our”) to disclose to you the material characteristics of a Covered Product before the Covered Product is executed. These include the Covered Product’s material economic terms, its operational terms, and the rights and obligations of the parties during the term of the Covered Product. For purposes hereof, references to “you” mean our Covered Product counterparty, and each person or entity comprising our counterparty if a Covered Product is to be executed jointly. As used herein, unless otherwise indicated, material characteristics refer to those of our Covered Products, and not necessarily those of any of our affiliates, any other Covered Product dealer or other market participant.

Please be advised that this information does not supersede in any way the information contained in any applicable transaction-level and relationship-level documentation you have exchanged or will exchange with us including, without limitation, any term sheet, confirmation, master agreement, or master confirmation agreement.

## Manner of Disclosure

WFBNA uses different methods to disclose a Covered Product’s material characteristics, incentives, and conflicts of interest depending upon the type of product or the content.

## General Information.

Information about the material characteristics of Covered Products can be found in the General Disclosure Statement for Transactions and accompanying Disclosure Annexes published by the International Swaps and Derivatives Association, Inc.

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<sup>1</sup> Note that these requirements will not apply for Covered Products executed through a non-U.S. branch of WFBNA with non-U.S. clients.

("ISDA") for Interest Rate Derivatives, Foreign Exchange, Commodities Derivatives, Credit Derivatives and Equity Derivatives (each, an "asset class"). Additional information, including standard product terms, confirmation templates and market conventions for different asset classes, may be available from trade associations or market external sources, including:

<http://www2.isda.org/asset-classes>

<https://www.isda.org/books/>

<http://www.markit.com/Documentation/Product/Indices>

<http://www.emta.org/ndftt.aspx>

### **Material Economic Terms/Operational Terms.**

Information about the material economic terms or operational terms of an individual Covered Product may be disclosed to you orally, electronically or in writing, and WFBNA will be obligated under CFTC Rule 23.431(a)(2) and SEC Rule 240.15Fh-3(b) to furnish you with such disclosure before you enter into the Covered Product with us.

Please note that if the mode of execution is bilateral negotiation, the documentation of the negotiated agreement itself will contain the relevant material economic and operational terms of the Covered Product [and will be disclosed to you before you enter into the Covered Product with us]. If you are trading with WFBNA over a Covered Product execution facility or other electronic platform, disclosure of material economic and operational terms may be provided to you [prior to entering into the Covered Product] through the data entered into or displayed on the terminal or other system through which you are trading. The foregoing are illustrative and not a complete list of the methods WFBNA may utilize for disclosure of such terms. To provide you with further information regarding material economic terms and operational terms of individual Covered Products, WFBNA furnishes you with the Transaction Terms Disclosure set forth below.

### **Rights and Obligations.**

Information about the rights and obligations of the parties during the term of the Covered Product can generally be found in the Required Trade Confirmation as described below and in the swap and SBS trading relationship documentation ("STRD") executed or exchanged between the parties. WFBNA expects in most cases that the process of negotiating and reaching agreement on the terms of such STRD will serve as such disclosure to you, and to any other person or entity that may be or become a party to, or issuer of, such STRD. However, from and after the relevant compliance date for CFTC Rule 23.504 and SEC Rule 15Fi-5(a)(1), our STRD must include certain terms required by such regulations, and to the extent that you and we have existing trading relationship documentation that has not been amended to include such mandatory terms, WFBNA furnishes you with the STRD disclosure set forth below.

### **Transaction Terms Disclosure**

Before entering into any Covered Product, you should conduct a thorough and independent evaluation of the terms of the Covered Product 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 Covered Product is appropriate for you in light of your experience, objectives, financial and operational resources and other relevant circumstances. Unless expressly agreed in writing, neither we nor any of our affiliates is providing you with legal, financial, tax, accounting or other advice in connection with any Covered Product.

Unless otherwise provided, the terms of any swap or SBS you enter into with us will be set forth in the confirmation required to be executed for swaps pursuant to CFTC Rule 23.501 or in satisfaction of the verification requirements for SBS pursuant to SEC Rule 15Fi-2 ("Required Trade Confirmation"), including any terms incorporated by reference therein.

**Please note that, under CFTC Rule 23.501, the parties to a swap are required to execute a Required Trade Confirmation within the prescribed time periods set forth in such Rule, which will be not later than the end of the first business day**

**after execution of a swap bilaterally with us, if you are a financial entity, or by the end of the second business day after such execution, if you are not a financial entity. For SBS, under SEC Rule 15Fi-2, the parties to an SBS are required to promptly execute a confirmation in satisfaction of applicable verification requirements, although in practice the Required Trade Confirmation will be sent within the same time periods as set forth by CFTC Rules for swaps.**

Any Covered Product you enter into with us will have the terms that you and we expressly agree upon (orally, electronically or in writing) and may take into account, by express agreement or course of conduct, the following:

- 1) Prior transaction. You and we may be transacting on the basis of a prior transaction. For example, you and we may be (i) amending the terms of a prior transaction, (ii) entering into a novation of a prior transaction, (iii) terminating a prior transaction, or (iv) transacting on the basis of a form used to confirm a prior transaction.
- 2) Specified form of confirmation or term sheet. You and we may be transacting on the basis of a specified form of confirmation or term sheet. For example, you and we may be relying on an agreed form of confirmation or term sheet that contains material economic terms or operational terms in addition to those which are expressly agreed at the time of execution.
- 3) Master confirmation agreement. You and we may be transacting on the basis of a master confirmation agreement and a supplemental confirmation template that will together govern the transaction.
- 4) Confirmation or term sheet template database. You and we may be transacting on the basis of a form of confirmation or term sheet contained in a database of templates or other materials that we have made available to you on or through our website, or that is available on the website of another organization. See “Covered Product Confirmation Templates, Definitional Booklets & Other Materials” below.
- 5) Electronic bilateral execution. You and we may be transacting on the basis of material economic terms and/or operational terms displayed or made available on or through our website for the purpose of executing and/or confirming transactions with you electronically on or through our website-based platforms or systems.
- 6) Other execution modes. You and we may be transacting on the basis of such other methods or modes of disclosing material economic terms and/or operational terms as may be mutually acceptable.

Utilization of any such form, agreement or template is subject to such additions to, and deletions and modifications of, any terms contained therein as the parties may agree before or at the time of execution. In the event of any inconsistency between (i) any such form, agreement or template used by the parties in connection with the execution of a Covered Product, and (ii) the Required Trade Confirmation such Required Trade Confirmation shall prevail upon execution thereof in any manner forming a binding transaction between the parties.

Notwithstanding WFBNA’s best efforts, WFBNA may inadvertently fail to disclose all material economic terms or operational terms of a Covered Product necessary to complete the relevant form of Required Trade Confirmation. If prior to entering into a Covered Product you believe that not all material economic terms or operational terms have been disclosed, please inform us and request that we disclose the missing term(s) or ask us to verify that our disclosure is complete, in either case before you accept an actionable quote for, or otherwise enter into, the Covered Product.

In addition to the foregoing disclosures, please note that if you and we enter into a transaction for “give-up” to a third party, the terms of the transaction will be subject to the terms of any applicable agreement with that third party.

Unless we provide notice otherwise, we agree for your benefit, and the benefit of any person or entity that has furnished or is furnishing to us a guaranty for your obligations under a swap (a “guarantor”), that the ISDA Non-ECP Guarantor Exclusionary Terms (“Exclusionary Terms”), which are available at <https://www.isda.org/tag/standard-terms>, shall apply to the entry into (within the meaning of §2(e) of the Commodity Exchange Act) any swap by you and us on or after March 31, 2013 and will be deemed to be incorporated by reference into the confirmation executed, exchanged or otherwise formed in connection with the parties entering into such swap. For the avoidance of doubt, the Exclusionary Terms will not apply, in respect of a guarantor, to any unwind, termination, transfer or other disposition of a swap, in whole or in part, to the

extent the swap is lawfully guaranteed by such guarantor, whether or not such guarantor is an ECP (as defined in the Exclusionary Terms) when such unwind, termination, transfer or other disposition is agreed or effected.

### **Covered Product Confirmation Templates, Definitional Booklets & Other Materials**

Our disclosure to you of the material characteristics of one or more Covered Products may include furnishing you, through our website, with forms you may view and/or download for purposes of reviewing templates we may use to complete and send you Required Trade Confirmations for Covered Products you and we enter into.

Alternatively, we may provide you, through our website, access to a confirmation template application that you may use to review template terms, and that we may use to create Required Trade Confirmations. We also may inform you that forms of confirmation templates are available on the website of another organization. In either case, unless we receive a written request to furnish you with a draft “acknowledgement” (within the meaning of CFTC Rule 23.500(a)) for a swap, we will assume that, prior to entering into any swap, you have had the opportunity to select and review the appropriate template (or terms), or you have chosen to forego such review. If you have any question which template (or terms) to select, or if you are unable to locate a template (or terms) for the type or material characteristics of the swap or security-based swap you will be executing, please contact the WFBNA Covered Product marketer, sales specialist or trader with whom you transact or are considering transacting.

The terms of a Covered Product may incorporate standard definitions published by industry bodies, annexes thereto and other market standard terms, which may be amended or customized by the parties pursuant to the terms of the Covered Product and its governing documentation. Before entering into a Covered Product, you should obtain and review carefully any such materials to be incorporated by reference in any confirmation, as their content could materially affect your rights and obligations under the Covered Product, its value and its appropriateness for your particular objectives. Among the material characteristics we may be disclosing to you through our website or otherwise are terms contained in one or more ISDA Definitional Booklets, which are also available at <https://www.isda.org/books/>. You may determine whether and which standard definitions, annexes and other market standard terms apply to a Covered Product by reviewing the applicable confirmation template, terms or draft acknowledgement. Alternatively, you may contact the WFBNA Covered Product marketer, sales specialist or trader with whom you transact or are considering transacting, including if you have any questions about such materials.

### **Cleared Covered Products & Covered Products Executed on a SEF, DCM, SBSEF, National Securities Exchange, Clearing Agency or DCO**

For swaps to be executed on a swap execution facility (“SEF”) or designated contract market (“DCM”) or SBS to be executed on an SBS execution facility (“SBSEF”) or a national securities exchange, disclosure of material characteristics may be made by the SEF, DCM, SBSEF, or national securities exchange making terms or contract specifications available for viewing or downloading through a website or other accessible means. If you and we enter into a swap that is cleared through a derivatives clearing organization (“DCO”) or SBS cleared through a clearing agency, or executed through a SEF, DCM, SBSEF, or national securities exchange that prescribes the terms of the transaction, the transaction will have (i) the terms specified by the applicable DCO, SEF, DCM, clearing agency, SBSEF, or national securities exchange and (ii) subject to the rules of thereof, any other terms that you and we expressly agree in connection with the transaction. For Covered Products to be cleared, please note that the material economic terms, operational terms and other material characteristics of such Covered Products may be subject to change following submission to the relevant DCO or clearing agency.

## STRD Disclosure

- (a) WFBNA discloses to you that, in addition to the other terms and provisions contained therein, our STRD with you is required<sup>2</sup> under CFTC Rule 23.504 and SEC Rule 15Fi-5 (“STRD Requirements”) to have certain specified terms, which may constitute material characteristics we are required to disclose. Compliance with the STRD Requirements will, without limitation, require that our STRD with you:
- (i) Be executed prior to or contemporaneously with entering into a Covered Product transaction with you, excluding any confirmation of such transaction under CFTC Rule 23.501 or SEC Rule 15Fi-2;
  - (ii) Be in writing and include all terms governing the trading relationship between you and us, addressing payment obligations, netting of payments, events of default or other termination events, calculation and netting of obligations upon termination, transfer of rights and obligations, governing law, valuation, and dispute resolution;
  - (iii) Include all confirmations of Covered Product transactions under CFTC Rule 23.501 or SEC Rule 15Fi-2;
  - (iv) Include credit support arrangements, which shall contain, in accordance with applicable requirements under CFTC or SEC rules or regulations adopted by prudential regulators, those terms described in CFTC Rule 23.504(b)(3) and SEC Rule 15Fi-5(b)(3);
  - (v) Include, if you are a financial entity or otherwise upon your request, certain written documentation in which the parties agree on the process for determining the value of each swap for the purposes of complying with (i) the margin requirements (a) under §4s(e) of the Commodity Exchange Act (“CEA”) and regulations thereunder and (b) under §15F(e) of the Securities Exchange Act (“SEA”) and regulations thereunder, and (ii) the risk management requirements (a) under §4s(j) of the CEA and regulations thereunder and (b) under §15F(j) of the SEA and regulations thereunder including SEC Rule 15Fh-3(h)(2)(iii)(I);
  - (vi) Include the following:
    - (A) A statement that we are an insured depository institution (as defined in 12 U.S.C. 1813) and a financial company (as defined in § 201(a)(11) of the Dodd-Frank Act, 12 U.S.C. 5381(a)(11));
    - (B) A statement of whether you are an insured depository institution or financial company;
    - (C) A statement that in the event either you or we are a covered financial company (as defined in section 201(a)(8) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. 5381(a)(8)) or an insured depository institution for which the Federal Deposit Insurance Corporation (FDIC) has been appointed as a receiver (the “covered party”), certain limitations under Title II of the Dodd-Frank Act or the Federal Deposit Insurance Act may apply to the right of the non-covered party to terminate, liquidate, or net any Covered Product transaction by reason of the appointment of the FDIC as receiver, notwithstanding the agreement of the parties in the STRD, and that the FDIC may have certain rights to transfer Covered Products of the covered party under section 210(c)(9)(A) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. 5390(c)(9)(A), or 12 U.S.C. 1821(e)(9)(A); and
    - (D) An agreement between us and you to provide notice if either we or you become or cease to be an insured depository institution or a financial company; and
  - (vii) Contain a notice that, upon acceptance of a Covered Product by a DCO or clearing agency: (i) the original Covered Product is extinguished; (ii) the original Covered Product is replaced by equal and opposite Covered Products with the DCO or clearing agency; and (iii) all terms of the Covered Product shall conform to the product specifications of the cleared Covered Product established under the DCO’s or clearing agency’s rules.
- (b) WFBNA discloses to you that, in addition to the requirements described above, CFTC Rule 23.502 and SEC Rule 15Fi-3 require that we agree in writing with you on the terms of portfolio reconciliation. Compliance with these requirements will require that our STRD with you (or other documentation) contain such portfolio reconciliation terms.
- (i) As used herein, “portfolio reconciliation” has its meaning as defined in CFTC Rule 23.500 with regard to swaps and SEC Rule 15Fi-1 with regard to SBS, and refers to a process of identifying and attempting to resolve any

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<sup>2</sup> The CFTC has granted relief from STRD and portfolio reconciliation requirements for swaps executed through WFBNA London and its emerging market branches with non-U.S. counterparties pursuant to CFTC NAL 15-64.

discrepancies between a party's own records of material terms and valuations of their Covered Product and corresponding data of the other party. A valuation of a Covered Product is the current market value or net present value of a Covered Product on a given date. Identification may involve a manual review of the data or a systematic matching process using a technological application and/or a third party service. Portfolio reconciliations may exclude any transactions that are not required to be reconciled under CFTC Rule 23.502 or SEC Rule 15Fi-3, and do not apply to cleared Covered Products.

- (ii) Absent regulatory relief, portfolio reconciliations are required even if a Covered Product portfolio consists of one Covered Product. Accordingly, unless we agree upon portfolio reconciliation terms with you in other documentation, our STRD with you shall contain portfolio reconciliation terms in the form set forth in Schedule 4 of the Supplement to the ISDA March 2013 DF Protocol Agreement (available at <http://assets.isda.org/media/38756a02/dc176cdb.pdf>), or in Schedule 4 of the Supplement to the ISDA 2021 SBS Protocol Agreement (available at <https://www.isda.org/a/4zGTE/SBS-Protocol-Supplement-II.pdf>) or in such other form as you and we agree in writing. If you would like to receive a copy of our own form of portfolio reconciliation terms that we have available for use as an alternative to the ISDA March 2013 DF Protocol or ISDA 2021 SBS Protocol version, please contact your Covered Product marketer, sales specialist or trader with whom you transact or are considering transacting.
- (c) With regard to swaps, to the extent we are not required to have an executed STRD with you before July 1, 2013 and such STRD does not exist for swaps we enter into with you on or after May 1, 2013, absent further regulatory relief, you will be required to have such executed STRD in place with us by July 1, 2013. With regard to SBS, to the extent we are not required to have an executed STRD with you before November 1, 2021 and such STRD does not exist for SBS we enter into with you prior to November 1, 2021, you will be required to have such executed STRD in place with us by November 1, 2021. In order to meet the requirements described in (a)(ii) above regarding the trading relationship terms of such STRD, we disclose to you that, unless you and we agree to other terms in writing, we will require that such STRD have at least the following characteristics:
  - (i) The STRD will be in the form of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) ("1992 ISDA Master").
  - (ii) The Schedule to the 1992 ISDA Master will include the following provisions (with capitalized terms having their meanings as defined in the 1992 ISDA Master unless otherwise indicated).
    - (A) Each party will be deemed to represent on each day it enters into a Covered Product transaction that it is an "eligible contract participant" as defined CEA § 1a(18), or is otherwise eligible to enter into the transaction, and the 1992 ISDA Master and each swap confirmation will be deemed to include the ISDA Non-ECP Guarantor Exclusionary Terms, available at:  
<https://www.isda.org/tag/standard-terms>
    - (B) The "Termination Currency" will be U.S. Dollars, or such other currency as determined by the non-Defaulting Party or non-Affected Party, or in the event there are two Affected Parties, as selected jointly by the parties.
    - (C) For purposes of the 1992 ISDA Master's Multibranch provisions, Section 10(a) of the relevant ISDA Master will apply and WFBNA will be a Multibranch Party acting through its San Francisco or Charlotte Office or its London Branch as specified in the relevant Covered Product confirmation, and presumed to be its San Francisco Office if not specified therein unless we notify you otherwise.
    - (D) We will be the Calculation Agent unless we specify otherwise in the relevant swap confirmation.
    - (E) New York law will be the governing law.
    - (F) The 1992 ISDA Master (and, where applicable, each relevant Required Trade Confirmation) will incorporate the 1998 FX and Currency Option Definitions ("FX Definitions") published by ISDA, EMTA and the Foreign Exchange Committee (with the confirmation prevailing in the case of any inconsistency with such definitions for the purposes of the relevant swap).

- (G) Section 2(c)(ii) of the 1992 ISDA Master will apply in respect of all Transactions from the date of this ISDA Master Agreement, provided that Section 2(c)(ii) will not apply with respect to any Transactions or group of Transactions for which the parties mutually agree shall be netted operationally. With respect to FX Transactions, if amounts in the same currency would be due by both parties in respect of the same Settlement Date (or other payment or delivery date) under two or more Transactions between the same pair of Offices of the parties (assuming satisfaction of any condition precedent), the parties agree the obligations of the parties for those amounts may be discharged automatically, and if one party's obligation in that currency would have been greater, replaced by an obligation of that party to pay or deliver the amount of that difference to the other party on that Settlement Date or date.
- (H) With respect to Payments upon Early Termination, "Market Quotation" and the "Second Method" will apply, except for the following types of swaps, a Market Quotation shall not be determined or included under clause (a) of the definition of Settlement Amount, and instead a "Loss" shall be determined and included under clause (b) of the definition of Settlement Amount with respect to the following types of swaps: (i) any FX Transactions and Currency Option Transactions (as defined in the FX Definitions), and (ii) any commodity swaps, commodity options, commodity forwards or any other commodity derivative transactions.

#### **External Business Conduct Disclosure**

- (a) WFBNA discloses to you that if you are not a swap dealer, SBS dealer, major swap participant, or major SBS participant (i.e., not a "Regulated Swap Entity"), pursuant to CFTC Rule 23.431(b), for any swap transaction that is not "made available for trading" on a DCM or SEF under CEA Section 2(h)(8), you can request, and consult on the design of, a scenario analysis to allow you to assess your potential exposure in connection with the swap.
- (b) WFBNA discloses to you that if you are not a Regulated Swap Entity, pursuant to CFTC Rule 23.431(d), and SEC Rule 15Fh-3(c), for any Covered Product provided by WFBNA to you, that:
- (i) The daily mark may not necessarily be a price at which either you or WFBNA would agree to replace or terminate the Covered Product;
  - (ii) Unless otherwise expressly agreed by the parties, calls for margin may be based on considerations other than the daily mark provided to you; and
  - (iii) The daily mark may not necessarily be the value of the Covered Product that is marked on our books.
- (c) If you are not a Regulated Swap Entity, pursuant to CFTC Rule 23.432 and SEC Rule 15Fh-3(d)(1):
- (i) With respect to any Covered Product that is subject to the mandatory clearing requirements under Section 2(h) of the CEA or Section 3Ca-1 of the SEA, you have the sole right to select the DCO or clearing agency at which the Covered Product will be cleared; and
  - (ii) With respect to any Covered Product that is not subject to such mandatory clearing requirements, you may elect to require clearing of the Covered Product and you have the sole right to select the DCO or clearing agency through which the Covered Product will be cleared.
- (d) If you are an employee benefit plan defined in Section 3 of ERISA that is not subject to Title I of ERISA, you have the right to elect to be treated as a special entity pursuant to CFTC Rule 23.403(c) and SEC Rule 15Fh-2(d)(4).
- (e) You may send any complaints concerning any of our partners, members, officers, employees, or agents at the following:

Wells Fargo Bank NA  
Swap Dealer Compliance  
c/o Wells Fargo Compliance Department  
550 South Tryon Street, 6<sup>th</sup> Floor  
Charlotte, NC 28202

Email: [swapdealercomplaints@wellsfargo.com](mailto:swapdealercomplaints@wellsfargo.com)

Phone number: 1-877-645-0252

### **ISDA Copyrights & Disclaimer**

Please note that ISDA materials referred to herein are subject to the ISDA Copyrights and ISDA Disclaimer of Liability, which we are furnishing you via the document shown below.

<https://www08.wellsfargomedia.com/assets/pdf/commercial/swap-disclosures/isda-materials/isda-copyrights-and-disclaimer.pdf>



## **Questions**

If you have any questions about the material characteristics of a swap, security-based swap, or STRD, please contact the WFBNA swap or security-based swap marketer, sales specialist or trader with whom you transact or are considering transacting.

This Information Statement & Disclosure for Material Characteristics may be revised from time to time without notice.

**Version: November 1, 2021**