

Allocation Procedures for Securities Subject to a Call Provision

Customers of Jefferies LLC (“Jefferies”) may hold in their accounts securities that can be redeemed (called) either in full or partially prior to the stated maturity date, in accordance with the terms of the specific securities’ indenture or otherwise in accordance with the terms of the issuer of the security.

When a partial call is announced, Jefferies will be notified of the details of the partial call by its depository, the Depository Trust & Clearing Corporation (DTCC). Notice may also be provided to Jefferies by its relevant custodian or sub-custodian. The notice will include the quantity of securities that Jefferies and/or its customers are holding that are subject to the call.

When this information is received by Jefferies, it uses an impartial lottery and allocation process (“Allocation Process”) to select the customer accounts from which the subject securities will be called. Accounts that have a long position in the partially called security on the morning of the day the call is announced will be included in the Allocation Process.

Through the Allocation Process, each customer’s holdings have an equal chance of being called or not being called. There is also a determination as to whether the partial call price is considered to be in-the-money (i.e., the call price is above market value) or out-of-the-money (i.e., the call price is below market value). This determination is made on the day that the Allocation Process takes place and is accomplished by comparing the call price to the market value of the security in question, using the prior nights close or most recent price for the comparison.

If the partial call is in-the-money, Jefferies will exclude its own accounts and the accounts of associated persons, including employees (collectively, “Firm and Employee Accounts”), from the Allocation Process unless customer accounts are completely satisfied. If the call is out-of-the-money then Firm and Employee Accounts will be included in the Allocation Process.

Customers should be aware that their accounts may be affected by the partial call by a percentage that will differ with the percentage that is announced by the issuer.

Further details about Jefferies Allocation Procedures will be made available upon request.