

MEMORANDUM

To: Clarity ATS/C-BRATS Investors

From: Rob Novembre
President and Chief Executive Officer
Clarity BidRate Alternative Trading System
A Division of Arbor Research & Trading, LLC

Dated: August 21, 2019

Subject: **Clarity ATS Bid Process Re-Opening Examples**

As Clarity enters its third year of operations, we continue to actively pursue our goal of maintaining Clarity as the premier platform for biddable variable rate debt securities. We routinely observe market trends and the use of the Clarity platform to identify ways in which we can enhance Clarity to provide optimal market results for our issuers and subscribers. The Clarity platform implements an innovative open market platform and competitive bid process for the resetting of variable rate debt securities in a real time manner based on prevailing market factors. To realize the benefits of the Clarity platform, Clarity users need sufficient time to assess and react to all Orders.

To that end, effective today, we are adding this email to the set of C-BRATS Materials pursuant to Section 2.2(c) of your Clarity Subscriber Agreement to highlight some examples where the bid process can, at Clarity's discretion, be reopened for additional time to allow time for all participants to assess the current market, as follows:

In the event (a) any Orders are entered or modified on the Clarity platform with a bid that results in the newly re-set rate as of the Submission Deadline to be a substantial deviation (e.g., 200 basis points or 150%) from the Clearing Market Rate that was previously set for such security, and/or (b) there is an imbalance as of the Submission Deadline in sell Orders and buy Orders, Clarity has the discretion under the Subscriber Agreement to re-open the bid process for such security for 60 continuous minutes, with the new Submission Deadline being extended to 60 minutes following the initiation of such Bid Process Re-Opening, to allow the participants to review, assess and react to such Order(s), and place new and/or modify existing Orders.

As a dynamic trading platform, Clarity will continue to be responsive to the unique needs of the biddable variable rate product market.

This memorandum will also be available on our website (www.claritybid.com). Please feel free to contact us with any questions or comments. Many thanks for your continuing support.