

## **ADDITIONAL PRE-TRADE NOTIFICATION – EFFECTIVE JANUARY 25, 2021**

### **AMENDMENT TO 2006 ISDA DEFINITIONS TO INCLUDE LIBOR FALLBACKS**

Dear Prospective Counterparty:

KeyBank National Association (“KeyBank” or “we”), like the rest of the swaps industry, routinely incorporates the 2006 ISDA Definitions (the “Definitions”) into interest rate swap confirmations. ISDA has recently amended the Definitions, for all swaps with a Trade Date on or after January 25, 2021, to incorporate robust “fallback” mechanics (the “ISDA Fallback”) to account for LIBOR’s anticipated demise. Accordingly, all swap confirmations that reference the Definitions and have a Trade Date of January 25, 2021 or later will **automatically** incorporate the ISDA Fallback (as adherence to the ISDA 2020 IBOR Fallbacks Protocol will do for pre-January 25, 2021 swaps).

The ISDA Fallback, stated very generally, is to interpolate between surviving tenors, if possible, and then to transition upon cessation of all LIBOR tenors to the daily Secured Overnight Financing Rate (“SOFR”), compounded in arrears, plus a credit spread adjustment. USD LIBOR is currently expected to cease being published in December 2021 for one-week and two-month tenors and in June 2023 for all other tenors. Further information on SOFR and other “alternative reference rates” and on the ISDA Fallback may be located at <https://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/#consultations> and <https://www.isda.org/a/aorTE/IBOR-Alternative-Reference-Rates-Disclosure-October-2020.pdf>.

There can be no assurance that any underlying loan or other instrument for which any swap is used as a hedge incorporates or will incorporate the ISDA Fallback and therefore that one or both instruments will not require further amendment so as to achieve closer alignment. We are committed to providing the greatest such alignment possible and will be reaching out to borrowers and other customers at an appropriate time prior to LIBOR cessation.

Please contact your Relationship Manager or derivatives team marketing specialist with questions related to your interest rate swap transactions with KeyBank. And as always, please consult with your own financial, tax, legal and accounting professionals before making any financial, tax, legal or accounting related decisions for your company. KeyBank does not provide tax, legal or accounting advice.