Automated Trading Systems Requirements and Registration

As you know, it is your responsibility to ensure that, in connection with any electronic trading by you, you and your authorized personnel understand and comply with all laws, rules, regulations, policies and procedures of exchanges and other regulatory authorities governing electronic trading (“Applicable Rules”). This is notification of your obligation to comply with Applicable Rules regarding your electronic access to the markets and use of Automated Trading Systems (“ATS”) which certain exchanges require to be registered. Generally, an ATS is defined as an electronic system or computer software which directly or indirectly interfaces with an Exchange, fully automates the decision to submit orders to the order book and submits multiple orders to the order book by electronic means without manual intervention, and may automatically (and simultaneously) create and trade inter-market and intra-market spreads. Exchanges that currently require notification and/or registration of an ATS (whether by us, as the exchange’s member, or you, the member’s client) include, without limitation, the London Stock Exchange, Euronext London, Euronext Paris, Euronext Amsterdam, Euronext Brussels and Euronext Lisbon, Eurex, Borsa Italiana, Stockholm Stock Exchange, Virt-x, Wiener Borse and the Chicago Mercantile Exchange (each, an “Exchange”).

Accordingly, you undertake (i) to notify us if the software you use to trade electronically has an ATS, (ii) to provide us with all information we may reasonably request in writing concerning you and your use of the any ATS, and (iii) to register that ATS with the relevant Exchange, where required to do so by the rules of that Exchange.

You also understand that each Exchange may have additional rules and regulations governing the appropriate use of an ATS, and may have rules that prohibit negative trading practices, which in the context of ATS, include, without limitation, the following:

i) Entering multiple orders at the same price;
ii) Trading in a manner that is damaging overall market quality or causing a degradation of service;
iii) Breaching message allocation (if applicable) or entering more than the maximum number of orders permitted by the Exchange per second; and
iv) Entering orders at prices which are higher than the previous bid or lower than the previous offer, and withdrawing them before they are executed, in order to exaggerate volume.

You understand that persistent inappropriate use of software with an ATS can result in suspension or termination of access to the Exchange.

Should you have any questions, please contact your Goldman Sachs representative.