



Goldman Sachs & Co. LLC (“GS&Co.”)

Statement on Options Position Limits / Exercise Procedures and Other Disclosures for U.S. Listed Options

1. Position Limits. The options exchanges have established limits on the maximum number of puts and calls covering the same underlying security that may be held or written by a single investor or group of investors acting in concert or under common control (regardless of whether the options are purchased or written on the same or different exchanges or are held or written in one or more accounts or through one or more brokers). Under exchange and FINRA rules, customers are required to agree not to violate these limits. GS&Co. is required to monitor and report a customer’s positions to the options exchanges and may be required to liquidate positions in excess of these limits. Failure by GS&Co. to adhere to these regulations may result in the imposition of fines and other sanctions by the options exchanges. The position limit applicable to a particular option class is determined by the options exchanges based on the number of shares outstanding and trading volume of the security underlying the option. Positions are calculated on both the long and short side of the market. To calculate a long position, aggregate calls purchased (long calls) with puts written (short puts), on the same underlyer. To calculate a short position, aggregate calls written (short calls) with puts purchased (long puts) on the same underlyer. The aggregation of positions is illustrated in the following table. OTC options positions are calculated separately from listed positions. Expiring options are included in your end of day position.

|            | Long Call      | Short Call     | Long Put       | Short Put      |
|------------|----------------|----------------|----------------|----------------|
| Long Call  | Aggregated     | Not Aggregated | Not Aggregated | Aggregated     |
| Short Call | Not Aggregated | Aggregated     | Aggregated     | Not Aggregated |
| Long Put   | Not Aggregated | Aggregated     | Aggregated     | Not Aggregated |
| Short Put  | Aggregated     | Not Aggregated | Not Aggregated | Aggregated     |

For example, if the limit on a particular option class is 13,500 contracts, an investor or group of investors acting in concert or under common control may purchase up to 13,500 calls on a particular underlying security, and at the same time, write up to 13,500 calls covering the same underlying security (long call and short call positions are on opposite side of the market and are not aggregated for purposes of position limits). An investor or group of investors acting in concert or under common control that purchased 12,000 puts on a particular underlying security may, at the same time, write up to but no more than 1,500 calls covering the same underlying security (long put and short call positions are on the same side of the market, and are aggregated for purposes of the limits). The size of an options position depends on the number of shares underlying an option. Ten mini option contracts (overlying 10 shares) equal one standard options contract (overlying 100 shares). Positions in mini options and standard options on the same underlier on the same side of the market are aggregated.

Position limits in an option class may be adjusted temporarily as a result of certain corporate actions such as a stock split. The exchanges’ position limit rules also permit positions in excess of the applicable limit, if the customer is engaging in certain qualified hedging strategies. Additionally, under certain limited circumstances, the options exchanges may also grant special position limit exemptions. Customers should determine the then current position limits from their brokers before engaging in any options transactions.

2. Adjustments. From time to time the Options Clearing Corporation (“OCC”) may make adjustments to existing listed options contracts as a result of corporate actions or other events. Information on adjustments is generally available from the OCC. Client should contact its GS&Co. representative if it has questions regarding options adjustments.

3. Exercise Procedures. The following sets forth the current procedures that apply to Client’s expiring U.S.-listed single stock options positions. To ensure that Client’s expiring options positions are handled appropriately, Client

is responsible for communicating its intended exercise activity to its GS&Co. representative in accordance with the procedures outlined below.

**a. To Exercise.** Unless Client notifies its GS&Co. representative otherwise, the Options Clearing Corporation will automatically exercise all options in Client's account that are at least US\$0.01 in-the-money at the time of expiration. Absent contrary instructions from Client, no positions that are in-the-money by less than US\$0.01 (or that are out-of-the-money) will be exercised.

**b. To Prevent Exercise of an Option that is At Least US\$0.01 In-the-Money.** In order to prevent a position that is in-the-money by at least US\$0.01 from being exercised automatically, Client must provide contrary exercise instructions to its GS&Co. representative with directions not to exercise the option no later than 5:15 p.m. ET on the U.S. business day established by the options Exchanges (with respect to monthly exercises on the Friday before their expiration and for all other options on the day of their expiration).

**c. To Exercise an Option that is Less Than US\$0.01 In-the-Money.** In order to exercise an option that is less than US\$0.01 in-the-money, Client must provide affirmative exercise instructions to its GS&Co. representative with directions to exercise the position no later than 5:15 p.m. ET on the U.S. business day established by the options Exchanges (with respect to monthly exercises on the Friday before their expiration and for all other options on the day of their expiration). All expiring options that are less than US\$0.01 in-the-money and for which Client does not provide exercise instructions as provided above will expire without exercise.

**d. Special Notice for Options Purchased on the Day Immediately Preceding Their Expiration Date.** Expiring options positions in Client's account purchased on the day immediately preceding their expiration may need special attention. Please remember to communicate these positions to your GS&Co. representative. Please be reminded that Client will need to have cash or cash equivalents or margin available to fund any exercises.

**e. Special Notice for Options Expiring on Underlying Securities that are Subject to a Trading Halt.** Pursuant to OCC policy, in the event that trading in an underlying security has halted on or before the Monday before expiration and trading has not resumed before expiration, Client must provide GS&Co. with exercise instructions for any option positions that it desires to exercise, regardless of whether the underlying security is at least US\$0.01 in-the-money. GS&Co. is required to submit such notices to the OCC; therefore, if GS&Co. does not receive exercise instructions from Client, none of Client's long options positions will be exercised.

*A GS&Co. representative may from time to time provide Client with information regarding its expiring options positions and although GS&Co. may provide Client with this information, GS&Co. has no obligation to do so and will have no liability to Client for failure to provide this information or for any inaccuracies in the information.*

If Client has further questions, please contact your GS&Co. representative.

**f. Special Notice Regarding Early Exercise Cut-off Times.** From time to time, the options exchanges may establish early cut-off times for providing contrary exercise instructions. If the exchanges establish such earlier cut-off time clients are responsible for providing any contrary exercise instructions to GS&Co. by the earlier time established by the exchanges.

**4.Allocation of Assignment Notices.** GS&Co. allocates assignment notices to client's short options positions using a pro rata allocation methodology. Further information is available upon request.

**5.Notice Regarding U.S. Listed Options Orders Executed Using the Tied Hedge Procedures of the Executing Exchange.** When handling an option order of 500 contracts or more on your behalf, GS&Co. may buy or sell a hedging stock, security futures or futures position following receipt of the option order but prior to announcing the option order to the trading crowd. The option order may thereafter be executed using the tied hedge procedures of the exchange on which the order is executed. These procedures permit the option order and hedging position to be presented for execution as a net-priced package subject to certain requirements. For further details on the operation of the procedures, please refer to the exchange rules for tied hedge orders including Chicago Board Options Exchange Rule 6.74.10, which is available at [www.cboe.org/Legal](http://www.cboe.org/Legal).

**6.Notice regarding the execution of solicited orders on certain Exchanges:**

**a. Executed on the CBOE Using the CBOE's AON AIM Solicitation Mechanism.** When handling an option order of 500 contracts or more on your behalf on the Chicago Board Options Exchange, GS&Co. may solicit other parties to execute against your order and may thereafter execute your order using the Chicago Board Options Exchange's

AON AIM Solicitation Mechanism. This functionality provides a single-priced execution, unless the order results in price improvement for the entire quantity, in which case multiple prices may result. For further details on the operation of this mechanism, please refer to Chicago Board Options Exchange Rule 6.74B, which is available at [www.cboe.org/Legal](http://www.cboe.org/Legal).

**b. Executed on International Securities Exchange (“ISE”).** When handling an order of 500 contracts or more on your behalf, GS&Co. may solicit other parties to execute against your order and may thereafter execute your order using the International Securities Exchange’s Solicited Order Mechanism. This functionality provides a single-price execution only, so that your entire order may receive a better price after being exposed to the Exchange’s participants, but will not receive partial price improvement. For further details on the operation of this Mechanism, please refer to International Securities Exchange Rule 716, which is available at [www.ise.com](http://www.ise.com) under “Membership, Rules & Fees-Regulatory-ISE Rules.”