

## Americas Listed Equity Options Disclosures

Effective as of September 30, 2024

Citigroup Inc. (“Citi”, “we” or the “Firm”) is a global financial services firm that offers banking and other financial services in jurisdictions around the globe. Citigroup Global Markets Inc. (“CGMI”) offers North American (“NAM”) execution services in equities securities and other financial instruments in the United States, and through its affiliates in Latin America (“LATAM”), Asia-Pacific (APAC) and Europe, the Middle East and Africa (“EMEA”). Citi is dedicated to adhering to applicable laws and regulations in our dealings with our clients in those markets. This document is intended to clarify aspects of the trading relationship between CGMI and CGMI’s clients (each, the “Client” or “you”) in the markets for trading of options listed on SEC regulated exchanges in the United States (“Options”) markets. Please see our Americas Cash Equities Disclosures for important information related to equities (<https://www.citigroup.com/global/disclosures/markets>).

This document does not address CGMI order handling and other details that relate to over-the-counter options that are not exchange listed, nor does it address options on futures contracts or most commodities.

The information being described relates to the provision of the Services, is current as of the Effective date, and is subject to change without notice and prior to the circulation of any update. It is always recommended that you contact your CGMI sales representative for additional information.

The disclosures set forth in this document apply to the institutional business of CGMI and to its clients that fall within the regulatory definition of “Institutional”; these disclosures may not be complete, and CGMI recommends seeking clarifications you may require from your CGMI representative. These disclosures are intended for institutional clients and are not intended for individuals or other retail investors. These disclosures are subject to (and, to the extent of any conflict, shall be governed by): (i) any written agreement with you; and (ii) any applicable law or regulation (including, but not limited to, any applicable requirements regarding best execution or conflicts of interest). Laws and regulations in various jurisdictions may provide rights or obligations other than those discussed in this document. To the extent of any conflict between these disclosures and any other disclosures (including published policies) we have previously provided to you, the terms of these disclosures shall govern.

You should review this document in connection with other applicable CGMI agreements, terms of business and disclosures in order to fully understand your relationship with us in the context of a particular transaction. The Firm may execute an order received from you as principal or agent (e.g., executed by CGMI on an exchange or otherwise pursuant to the rules of an exchange as agent for its Clients), or partly as principal and partly as agent. In the case of transactions executed on an agency basis, CGMI will be acting solely as agent for the purpose of execution and not otherwise as an agent, fiduciary, financial advisor or in any similar capacity on your behalf, and the disclosures set out in this document will also apply to the extent relevant.

Any statements we make to a Client should not be construed as recommendations or advice or that CGMI has acted as the Client’s advisor. In addition, when we transact with our Clients, we rely upon the apparent authority of the employees, representatives, advisers and agents who communicate with us on their behalf, and we assume no obligation to independently verify that authority, unless on a case-by-case basis there may be circumstances whereby confirmation is needed to ensure authority has not been breached.

### (1) Order Handling / Routing

This disclosure is part of CGMI’s ongoing efforts to provide transparency to its institutional clients about its U.S. listed equity options order handling, including most low-touch electronic orders, and certain agency orders handled by CGMI’s high-touch desk. For additional disclosures concerning options order handling and routing, please see our SEC Rule 606 Disclosure: [https://www.citigroup.com/rcs/citigpa/storage/public/SEC-Rule-606-Disclosure\\_20240123\\_Final.pdf](https://www.citigroup.com/rcs/citigpa/storage/public/SEC-Rule-606-Disclosure_20240123_Final.pdf)

CGMI utilizes Wolverine Execution Services LLC (“WEX”) as an electronic market access and execution service provider when accessing all US listed equity options exchanges. WEX is a US registered broker-dealer that offers an options trading platform with connectivity to all of the US equity listed options exchanges, as well as a suite of execution algorithmic trading strategies.

These algorithmic trading strategies are designed to aid in price discovery and scheduling of orders. Agency orders for clients choosing to interact with CGMI's high-touch desks may use algorithmic trading strategy orders.

CGMI accepts and routes single leg and multi leg orders, as well as marketable and non-marketable orders which are routed to its market access provider for order handling.

### **Order Types**

CGMI accepts the following order types, which may be amended or cancelled as outlined below. For information on additional order types, please contact your CGMI representative.

**Market Orders:** To mitigate the risk of adverse market impact, among other reasons, CGMI or its market access provider may place limit prices on market orders when accessing the market, including in circumstances when the order is directed to a particular destination. Therefore, it is possible that a market order may not be completely filled. CGMI or its market access provider uses price bands for executions of market orders and may stop executing a market order if the option prices deviate too far from the first execution. In addition, many of the US Listed Option Exchanges have risk check parameters which may result in a market order being partially filled in the event option prices deviate too far from the first execution.

**Limit Orders:** To mitigate the risk of adverse market impact, among other reasons, CGMI or its market access provider may change limit prices on limit orders when accessing the market, including in circumstances when the order is directed to a particular destination. Limit orders priced too aggressively may be rejected. Therefore, it is possible that a marketable limit order may not be completely filled. In addition, many of the US Listed Option Exchanges have risk check parameters which may result in a limit order being rejected.

**Good-til-Cancelled (GTC) and Good-til-Date (GTD) Orders:** A GTC/GTD order will remain open until executed, cancelled by the client that placed the order, the option series expires, cancelled as a result of a corporate action or the order is cancelled by CGMI or its agent, whichever comes first.

**Open Client Order Information:** Access to open client order information is limited to account coverage, personnel handling client orders, and their supervisors, as well as certain legal, compliance, risk management, senior management, and other support personnel in the performance of their responsibilities. Other clients, traders and sales traders do not have access to this information. Depending on respective personnel responsibilities, there are different levels of permissioned access pursuant to our internal policies.

**Global Trading Hours ("GTH") and Curb Trading Hours:** CGMI or its agent provides electronic access upon client request to the Cboe Global Trading Hours (GTH) and Curb sessions. Electronic access to the GTH session is available from 7:30 a.m. to 9:25 a.m. and the Curb session from 4:15 p.m. to 5:00 p.m. for regular trading days (all times in Eastern "ET"). Note there is no Curb session on shortened trading days or US exchange holidays.

The Cboe Options Exchange ("C1") does not currently allow entry limited only to the GTH or Curb sessions. If you do not want your GTH session order to participate in the regular trading session, you must cancel the order after the GTH session and prior to 9:30 a.m. ET. Likewise, if you do not want your Curb session order to participate in the regular trading session, you must enter your Curb session order following the regular session close at 4:15 p.m. ET.

For additional disclosures regarding this trading session, please see the Global Trading Hours Risk Disclosure below (section 5) or contact your CGMI representative.

## **(2) Best Execution**

### **How does CGMI provide Listed Option Best Execution?**

CGMI maintains the following Best Execution principles in its governance framework for the oversight of listed options routing:

- (i) Consistently seek to deliver best execution and operate in the best interests of our clients
- (ii) Comply with all relevant regulatory requirements
- (iii) Continuously look at ways to further improve routing

CGMI maintains a Listed Option Best Execution Committee. The Committee reviews the electronic order handling practices of CGMI for compliance with the principles of Best Execution. It recommends Best Execution policies, procedures, and order handling practices to the qualified principals of the Firm responsible for the pertinent business activities. The Committee consists of supervisors from the businesses responsible for handling customer electronic listed option orders. Compliance and legal may serve as advisory members of the Committee. Reports are reviewed and analysed to determine the execution quality that CGMI receives in the marketplace for its client orders.

Reviews of execution quality reports may include, but are not limited to, the following details and metrics: NBB/O size, price improvement, liquidity enhancement, effective spread, effective to quote (E/Q), order size and strategy order type. Client specific execution quality reports can be made available upon a client request.

For additional disclosures concerning order handling and routing, please see our SEC Rule 606 Disclosure:

[https://www.citigroup.com/rcs/citigpa/storage/public/SEC-Rule-606-Disclosure\\_20240123\\_Final.pdf](https://www.citigroup.com/rcs/citigpa/storage/public/SEC-Rule-606-Disclosure_20240123_Final.pdf)

### **(3) Payment for Order Flow**

CGMI may execute customer orders on a principal or agency basis and receives compensation for such executions.

CGMI's institutional facing business, in its efforts to seek best execution uses Wolverine Execution Services LLC ("WEX") as an electronic market access and execution service broker dealer to access all US listed equity options exchanges. CGMI does not receive payment for order flow or provide payment for order flow to its clients for US listed equity option activity. CGMI pays WEX a fixed fee per -contract. WEX may pass through to CGMI certain fees and/or rebates from exchanges that WEX receives based on the volume tiers reached at such exchanges ("pass-through fees and/or rebates"). The fees and/or rebates from exchanges that WEX receives ("exchange fees and/or rebates") may vary depending on WEX's overall trading volumes from their clients in the aggregate, including CGMI. Any options exchange at its sole discretion may also add, remove, and change both volume tiers and/or exchange fees and rebates month -to- month upon filing with the SEC. The portion of the exchange fees and/or rebates that WEX passes through to CGMI as pass-through fees and/or rebates, if any, is determined based on WEX's overall trading volumes at the exchanges that are attributable to CGMI trading activity. CGMI may utilize a market access broker dealer to handle listed option orders on a manual basis. In these cases, CGMI may be charged a rate multiplied by the number of contracts executed. In some cases, CGMI may have a fee capacity arrangement with an execution service provider.

Citi holds an ownership interest in Miami International Holdings, Inc. ("MIAX") and MEMX, LLC. ("MEMX"). Because CGMI holds an ownership interest in the listed option venues noted above, CGMI stands to share in any profits derived from the execution of CGMI's customer orders on the venue.

Citi holds a board seat with MEMX Holdings LLC.

### **(4) Options Disclosure Document**

Pursuant to SEC Rule 9b-1 and various exchange rules, CGMI is required to provide all clients who trade Options and/or who receive Options-related sales material a current copy of the Characteristics and Risks of Standardized Options (the "ODD") including supplements, issued by the Options Clearing Corporation. A copy of the ODD can be found here:

<https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>

### **(5) Special Statement for Uncovered Options Writers**

**The following statements pertain only to clients who engage in uncovered put writing and/or uncovered call writing.**

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss.

Therefore, this type of strategy may not be appropriate for all clients approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
3. Uncovered option writing is thus suitable for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he had written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

## **(6) Extended Hours Trading Risk Disclosure**

CGMI through its market access may provide Pre-Market and Post-Market trading sessions to its clients. Pre-certification is required to participate in such extended hours trading sessions; clients wishing to participate in the extended hours trading session should contact their CGMI Representative for more information. In addition, clients should be aware of the differences and risks that may exist during the extended hours trading session. Some of the risks of trading in the extending hours trading session follow. The list is not all inclusive and trading in an extended hours trading session may involve other risks.

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during Global Trading Hours and Curb Trading Hours as compared to Regular Trading Hours, including fewer Market-Makers quoting during Global Trading Hours and Curb Trading Hours. As a result, your limit order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during Global Trading Hours and Curb Trading Hours as compared to Regular Trading Hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during Global Trading Hours and Curb Trading Hours as compared to Regular Trading Hours.
- **Risk of Changing Prices.** The prices of securities traded during Global Trading Hours and Curb Trading Hours may not reflect the prices either at the end of Regular Trading Hours, or upon the opening of Regular Trading Hours the next

business day. As a result, you may receive an inferior price during Global Trading Hours and Curb Trading Hours as compared to Regular Trading Hours.

- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after Regular Trading Hours. Similarly, important financial information is frequently announced outside of Regular Trading Hours. These announcements may occur during Global Trading Hours or Curb Trading Hours, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference between the price for which you can buy a security and the price for which you can sell it. Lower liquidity and higher volatility during Global Trading Hours and Curb Trading Hours may result in wider than normal spreads for a particular security.
- **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) and Lack of Regular Trading in Securities Underlying Indexes.** For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during Global Trading Hours or Curb Trading Hours. Since the underlying index or portfolio value and IIV may not be calculated or widely disseminated during Global Trading Hours or Curb Trading Hours, an investor who is unable to calculate implied values for certain products during Global Trading Hours and Curb Trading Hours may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during Regular Trading Hours, or may not be trading at all. This may cause prices during Global Trading Hours and Curb Trading Hours to not reflect the prices of those securities when they open for trading.

[Effective October 7, 2019 (SR-CBOE-2019-027); amended March 22, 2022 (SR-CBOE-2021-071)]

## **(7) Solicited Order Mechanisms**

CGMI is required to notify customers pursuant to U.S. Options exchange rules of its intent to use the solicited order mechanisms that it has available for members to cross customer Options orders.

### Cboe Exchange, Inc. – Solicitation Auction Mechanism (“SAM”)

When handling an order of 500 contracts or more on your behalf, CGMI may solicit other parties to execute against your order and may thereafter execute your order using the Cboe Exchange, Inc.’s SAM. 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 Cboe Exchange, Inc. Rule 5.39, which is available at: <https://www.cboe.com/us/options/regulation/>

### Nasdaq U.S. Options Exchanges – Solicited Order Mechanisms

When handling an order of 500 contracts or more on your behalf, CGMI may solicit other parties to execute against your order and may thereafter execute your order using the Nasdaq ISE (ISE), Nasdaq GEMX (GEMX) and Nasdaq MRX (MRX) Exchange’s Solicited Order Mechanisms. 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 Nasdaq ISE (ISE), Nasdaq GEMX (GEMX) and Nasdaq MRX (MRX) Rules Options 3, Section 11(d), all of which are available at: <https://listingcenter.nasdaq.com/rulebook>

### BOX Options Exchange – Solicitation Auction Mechanism

When handling an order of 500 contracts or more on your behalf, CGMI may solicit other parties to execute against your order and may thereafter execute your order using the BOX Options Market Solicitation Auction 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 BOX Exchange Rule 7270(b), which is available at: <http://rules.boxoptions.com/browse>

## **(8) Position Limits**

U.S. Options exchanges and regulators have established limits on the maximum number of equity and index exchange listed 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. CGMI 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 CGMI 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 underlying. To calculate a short position, aggregate calls written (short calls) with puts purchased (long puts) on the same underlying. Expiring Options are included in your end of day position.

Please note that 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 grant special position limit exemptions. Customers should determine the current position limits from their brokers before engaging in any Options transactions.

The Options Clearing Corporation ("OCC") may periodically 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. Clients should contact their CGMI representative if they have questions regarding Options adjustments.

## **(9) Exercise Limits**

The U.S. Options exchanges and regulators have imposed exercise limits on the maximum number of equity and index listed Options covering the same underlying security that can be exercised within any five (5) consecutive business day period 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). The exercise limit is the same as the position limit for the underlying security. If a client has an open Option position that is above the established position limit, but implements a qualified hedge strategy, they are permitted to exercise the amount of Options that they are fully hedged for within any five (5) consecutive business day period.

## **(10) U.S. Listed Single Stock Options Exercise Procedures**

The following sets forth the current procedures that apply to a client's expiring U.S. -listed single stock Options positions. To ensure that a client's expiring Options positions are handled appropriately, the client is responsible for communicating its intended exercise activity to its CGMI representative in accordance with the procedures outlined below.

a) To Exercise:

Unless a client notifies its CGMI representative otherwise, the Options Clearing Corporation will automatically exercise all Options in such client's account that are at least US\$0.01 in-the-money at the time of expiration. Absent contrary instructions from the 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, a client must provide contrary exercise instructions to its CGMI representative with directions not to exercise the Option no later than 5:30 p.m. Eastern Time 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). When the day immediately preceding a Saturday expiration date is a holiday under Exchange Rules, The Options Clearing Corporation may, upon reasonable notice to Clearing Members, advance the exercise procedures provided for in OCC Rule 805 by 24 hours.

c) Special Notice for Options Purchased on the Day Immediately Preceding Their Expiration Date:

Expiring Options positions in a client's account purchased on the day immediately preceding their expiration may need special attention. Please remember to communicate these positions to your CGMI representative. Please be reminded that the client will need to have cash or cash equivalents or margin available to fund any exercises.

d) 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, a client must provide CGMI 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. CGMI is required to submit such notices to the OCC; therefore, if CGMI does not receive exercise instructions from the client, none of such client's long Options positions will be exercised.

e) Special Notice Regarding Early Exercise Cut-off Times:

Periodically, 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 CGMI by the earlier time established by the exchanges.

A CGMI representative may from time to time provide a client with information regarding its expiring Options positions, and although CGMI may provide a client with this information, CGMI has no obligation to do so and will have no liability to such client for failure to provide this information or for any inaccuracies in the information.

#### **(11) Account Origin Codes**

Option exchange rules require all option orders to be marked with the appropriate account origin code, such as Customer, Broker-Dealer, Professional Customer, or Firm. Therefore, you must ensure your option orders are marked with the correct account origin code when routing option orders to the Firm. Please notify your CGMI sales representative of any applicable changes.

#### **(12) Professional Customer Origin Code**

A Professional Customer is defined as any non-broker dealer customer who enters a daily average greater than 390 orders during any calendar month over the preceding calendar quarter. All Professional Customer orders must be marked with the Professional Customer designation. Professional Customer orders may lose priority and incur higher execution fees at the US Listed Option exchanges. If you meet this category, you must contact your sales representative at CGMI to arrange for certification of the Professional Customer origin code.

#### **(13) Opening or Closing Transaction**

Option exchange rules require all option orders to be marked with either an opening (buy/sell to open) or closing (buy/sell to close) indicator. Therefore, you must ensure your option orders are marked appropriately when routing option orders to the Firm.

#### **(14) Actionable Identifier**

The Options Clearing Corporation ("OCC") has amended Rule 401 to require that an "Actionable Identifier" be included on all customer and firm listed option trades submitted to OCC for processing, other than market maker trades. OCC believes that

having an Actionable Identifier on customer and firm trades will allow Clearing Members to timely identify trades transmitted as part of a CMTA arrangement as well as trades transmitted through the “give-up” process at the exchanges. If your firm clears at a firm other than CGMI, then your preferred Actionable Identifiers should be communicated to your CGMI sales representative.

## **(15) Principal Trading**

When CGMI executes a client order as principal, CGMI does so on an arm’s-length basis, for CGMI’s own account. In such capacity, CGMI (including its sales and trading personnel) does not act as a broker, agent, fiduciary, advisor or in any similar capacity on behalf of its Client, and CGMI does not undertake the duties that an entity acting in any such capacity ordinarily would perform.

When CGMI acts in a principal trading capacity, CGMI may look for market opportunities that both satisfy the terms of a Client’s order and may allow CGMI to make an appropriate return on the transaction with the Client, including while executing other transactions to satisfy CGMI’s own, competing trading interests and responding to competing orders from other Clients. As such, except to the extent that CGMI has agreed to different terms of execution with a Client, CGMI will exercise its reasonable discretion in entering into a transaction with a Client based upon their order, including with respect to fill quantity, execution time, prioritization and whether to hedge or enter into such transaction electronically, manually, on aggregated basis with other orders or using internal or external sources of liquidity.

CGMI may have a number of positions and execute against the competing orders of multiple Clients, as well as trading to satisfy its own interests. As a result, CGMI may trade with others prior to or alongside hedging or executing against a Client’s order.

Subject to applicable law, CGMI may hedge or pre-hedge any transaction. This activity may take into account both the information that you provide when asking us to bid and/or offer for a transaction and any information held regarding your previous trading activity. Following the receipt of an order or an indication of interest likely to result in a Client transaction, CGMI may, in its reasonable discretion and subject to applicable law, engage in hedging as CGMI determines appropriate to manage risks that CGMI assumes in connection with such transaction or to inform the pricing of such transaction. CGMI also exercises reasonable discretion in deciding how, when, and where to hedge. CGMI’s hedging, and other trading activities can affect market levels; the prices CGMI offers to a Client or at which execution occurs; the availability of liquidity at levels necessary to execute Client orders; the level at which a benchmark or reference market rate is set; and whether prices change in a manner that accelerates, triggers, delays or prevents the triggering of, stop-loss orders, barriers, knock-outs, knock-ins or similar order conditions. While it is not intended that such hedging activity will cause any material detrimental effect to you, such activity may impact upon the prices you obtain when CGMI trades with you or when you trade with other firms. This activity may be entered into at any time after you ask us to provide a quote for a transaction. In conducting CGMI’s hedging, positioning and other trading activities, CGMI endeavors to employ means reasonably designed to avoid undue market impact.

CGMI generally does not disclose information regarding CGMI’s trading activities to CGMI’s Clients on an order or transaction specific basis, but CGMI requires its personnel to be truthful if they agree to provide such information. CGMI also is under no obligation to pass on to a Client profits derived from those activities.

All prices provided to a Client are indicative prices (unless we indicate otherwise e.g., by providing a price in response to a request for a firm price, or by providing prices with a clear reference that such price is actionable not indicative.)

When determining prices at which CGMI will trade as principal, CGMI may consider factors including, but not limited to product type; the market in which the transaction would occur; the type of order; the size and direction of the transaction; and other pricing information; and internal costs. CGMI may also consider Client and transaction specific factors such as: the volume, types, size, frequency, or speed of trading the Client executes with CGMI and in the market; the potential market impact of the Client’s trading activity with CGMI and in the market; the Client’s credit quality and CGMI’s credit exposure to the Client; specific terms of the transaction or governing documentation; and the extent and nature of the Client’s business relationship(s) with CGMI. Local legal or regulatory requirements may also be determinative. Some of these factors might operate to a Client’s disadvantage and may delay or prevent the execution against the order or increase the slippage or difference between any specified price trigger for the order and the actual execution price.



The relevant impact of each individual factor on the price of a transaction will differ depending upon the specific circumstances of that transaction. As a result, CGMI may bid and/or offer different prices to different Clients or at different times for the same or substantially similar type of transaction.

CGMI generally does not disclose the amount of revenue CGMI earns or expects to earn from a transaction or the components of its price, but CGMI requires its personnel to be truthful if they agree to provide such information.

Where CGMI provides bids and/or offers when acting as principal, CGMI may be, subject to applicable law: decide the transaction size or sizes of such bids and/or offers; update or withdraw such bids and/or offers at any time; execute orders at a better price than set out in such bids and/or offers; execute orders at a different price than such bids and/or offers in respect of transactions where execution in several securities is part of one transaction or in respect of orders that are subject to conditions other than market price; where CGMI receives an order of a size bigger than its bid and/or offer, decides to execute that part of the order which exceeds its bid and/or offer size at the quoted price, or at a different price; where CGMI provides such bid and/or offer in different sizes and receives an order between those sizes, decides to execute the order at one of the bid and/or offer prices, or at a different price; limits both the number of transactions that CGMI undertakes to enter into with a client pursuant to any bid and/or offer and the total number of transactions that CGMI undertakes to enter into with different clients pursuant to any bid and/or offer; and make any other modifications to CGMI's bid and/or offer as CGMI determines in its sole discretion are necessary or desirable.

When you enter into listed options transactions with CGMI, it will be on the basis that you have read and understood these terms of dealing. If you have questions after reading this document, please contact a senior CGMI representative. This document is also available at <https://www.citigroup.com/global/disclosures/markets> and may be updated from time to time.

#### **(16) Obvious and Catastrophic Error Policy**

Each US Listed Option Exchange has obvious error and catastrophic error rules that allow an execution to be broken (canceled) or the execution price adjusted if the terms of the transaction meet certain conditions.

- An obvious error occurs when the execution price is higher or lower than the "theoretical price" for the series by a specified minimum amount established by each exchange.
- A catastrophic error is generally where the execution price compared to the theoretical price are materially higher or lower than the price range for an obvious error filing.

If an Exchange or other applicable regulatory body determines that an execution is deemed an obvious error, catastrophic error or must otherwise be cancelled or adjusted, CGMI will be required to cancel or adjust the execution per the exchange determination, and will not be able to honor the original price, any price guarantee or other terms associated with such execution.

#### **(17) Confidentiality / Privacy and Data Management**

CGMI is bound by contractual and regulatory obligations relating to confidential information and have adopted policies and procedures to assist us in meeting these obligations. Additionally, we follow a Global Markets and Securities Services Policy on Sharing Client or Citi Confidential Information, which sets out requirements that apply in connection with the sharing of Client and Citi Confidential Information. This policy provides that, with limited exception (including as described below), Confidential Information may not be shared externally and, within Citi, may be shared only on a "need to know" basis.

Also see Citi's global Privacy Notice here: <https://www.citigroup.com/citi/privacy.html>. For more information, please contact your CGMI representative. What follows is a non-exhaustive discussion of how we may use and share certain order and execution data, including cancellations/modifications (together, "Trade Data").

Citi may use Trade Data for bona-fide business purposes.

These business purposes include, without limitation, performing venue and transaction cost analysis, evaluating order routing practices of CGMI or its agent and improving trading decisions (e.g., by understanding market dynamics, to determine trading

strategy, or evaluate capital commitment trades). Additionally, we may analyze historical client order information regarding executed and unexecuted transactions on an individual and aggregate basis for a variety of additional purposes, including credit and market risk management, sales coverage, client relationship management, and revenue tracking and management. In addition, Trade Data will also be analyzed internally by Citi personnel who support the execution channel (including, but not limited to, Operations, IT/application support team, Compliance, electronic execution analysts and quantitative analysts) in order to optimize the execution offering.

As part of our obligations as a regulated entity, we share Trade Data with our global regulators or the public as required and may rely on vendors to comply with such obligations, e.g., preparing and displaying statistical reports required by SEC Rule 606. We may also disclose this information as requested or required by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process.

#### Aggregated Anonymized Data

CGMI may disclose anonymized and aggregated Trade Data of all clients regarding executed and unexecuted transactions, together with other relevant market information, internally and to third parties, for analysis in order to help Citi assess its performance, including, without limitation, on hedging activity and client facilitation.

Opt out may be offered for a limited set of aggregated and anonymized data sets described herein; please contact your sales representative for details.