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## **NOTICE AND DISCLOSURES**

SpiderRock EXS, LLC (SpiderRock or the Firm) is a registered broker with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), a self-regulatory organization. The following notices and disclosures are intended to provide you, as our current or potential client, with information required by our regulatory authorities as well as certain policies and procedures SpiderRock has adopted as part of our business practices. Please note that this document is provided for informational purposes only and is meant to apply to multiple aspects of the Firm's business. Therefore, not every disclosure will be applicable to every SpiderRock client receiving this notice. SpiderRock may amend the notices and disclosures herein as needed. Any such amendments shall be available on the Firm's website ([www.spiderrockexs.com](http://www.spiderrockexs.com)).

### **1. INVESTMENT ADVICE**

SpiderRock EXS, LLC ("SpiderRock") provides neither investment nor tax advice. Clients must consider all relevant risk factors, including their own personal financial situation, before trading. This is not an offer or solicitation in any jurisdiction where we are not authorized to do business. SpiderRock operates in, and offers brokerage and technology services only in jurisdictions where it is duly registered to do so. Brokerage and technology services, products and securities noted on this site apply, unless otherwise specifically stated, only to residents of the United States of America.

### **2. SYSTEM PERFORMANCE**

SpiderRock EXS uses a trading platform that creates trading risks associated with system response and accessibility. Delays may occur due to market conditions, system performance and/or other sources. Before you trade with SpiderRock you should understand these risks and other associated trading risks. For additional information, please refer to our Customer Agreement and our Business Continuity Plan.

### **3. ANTI-MONEY LAUNDERING DISCLOSURE**

The USA PATRIOT Act (the Act) was implemented to detect, deter, and punish terrorists in the United States and abroad. The Act imposes anti-money laundering (AML) requirements on brokerage firms and financial institutions, such as SpiderRock, and SpiderRock accordingly has implemented an AML program. To help you understand the impact of the Act, we want to provide you with some information about money laundering and our steps to implement our AML program.

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, securities fraud and terrorism.

Under the rules required by the Act, our firm has designated an AML Compliance Officer, implemented employee training with respect to AML, arranged for independent AML audits, and established policies and procedures to detect and report suspicious transactions and ensure compliance with the laws. In addition, as part of our AML program and required by federal law, we must obtain, verify and record information that identifies each individual or entity that becomes a SpiderRock client. In this regard, SpiderRock is required to collect personally identifiable information from individual clients and certain identifiable information from legal entities. We may ask to see your driver's license or passport for individuals and other identifying documents for institutions.

Until you provide the information or documents, and until your identity has been verified, you may not be able to effect any transactions through SpiderRock.

#### **4. ERRONEOUS TRADES AND CORRECTIONS**

The terms of transactions executed on SpiderRock Connect are "clearly erroneous" when there is an obvious error in any term, such as price, number of contracts, or identification of the security. If a presumptive match is consummated on an options exchange at a price or size that is later determined to be erroneous according to that options exchange's obvious error rules, SpiderRock will, on a best-efforts basis, engage the relevant exchange to affect a trade bust or correction.

In addition, if the Securities and Exchange Commission, a self-regulatory organization, or other applicable regulatory body determines that a presumptive match executed on or through an options exchange is clearly erroneous or must otherwise be cancelled, SpiderRock will be required to cancel the trade and will not be able to honor the executed price, any price guarantee, or other terms associated with such transaction.

SpiderRock also maintains procedures for handling execution errors that may occur as a result of, for example, a SpiderRock Connect system failure or an error in the market data used in affecting a presumptive match or its execution on an options exchange. In these cases, SpiderRock personnel will contact all Subscribers that are parties to the subject transaction and determine, in its sole discretion, the appropriate course of action. This may include, but is not necessarily be limited to, engaging the relevant exchange, on a best-efforts basis, to affect a trade bust or correction.

Finally, SpiderRock may also temporarily suspend presumptive matching and/or the conduct of auctions if it detects certain error conditions that materially impact its ability to operate SpiderRock Connect. These conditions include, but are not limited to, loss or degradation of SpiderRock's presumptive matching engines, market data sources, or connectivity with applicable exchanges or trade reporting facilities.

## 5. SPIDERROCK ATS

SpiderRock operates the SpiderRock ATS, which is an alternative trading system operating electronic auctions that seeks to provide its clients (for purposes of this Section 4, “Subscribers”) with access to liquidity for orders in a Series or a Spread entered in response to auction initiations and requests for quotations. By routing an order to SpiderRock, Subscribers understands and agrees that:

- SpiderRock may, in its sole discretion, grant Subscriber access to SpiderRock ATS, including through functionality within certain SpiderRock algorithms and smart order routers.
- The execution of its orders by SpiderRock ATS is not guaranteed in any way by SpiderRock and SpiderRock assumes no obligation or duties with respect to SpiderRock ATS.
- Access to SpiderRock ATS may be limited, terminated or suspended by SpiderRock at any time in SpiderRock’s sole discretion and access to SpiderRock ATS is not transferable.
- SpiderRock ATS is designed to presumptively match orders in a Series or Spread entered into either a Flash or Block auction and route those presumptive matches to options exchanges for execution pursuant to the rules of, and subject to the price improvement opportunities of, the applicable options exchange price improvement auction. All trade executions will occur through the automated auction facilities of the relevant options exchange.
- When a Subscriber initiates a Flash Auction, SpiderRock ATS disseminates to all eligible auction responders (“Responders”) an auction notice containing only the item, side, and size (but not the limit price). When a Subscriber initiates a Block Auction, SpiderRock ATS will disseminate notice of the auction to potential Responders (either those designated by the auction initiator as a notice party or to the SpiderRock Network (defined below) if none are designated). SpiderRock Network includes all Subscribers of SpiderRock ATS, as well as broker dealer partners of SpiderRock that are not SpiderRock ATS Subscribers. The auction notice will contain the item, size, size condition (if any), and, at the auction initiator’s election, the initiator side and initiator limit price.
- Subscriber may request non-firm Indications of Interest (“IOIs”) to SpiderRock ATS from Responders to assess the desirability of subsequently submitting a firm order for potential pairing in SpiderRock ATS. IOI responses by Responders are considered non-firm. IOI responses must be submitted within a predetermined interval of time (“response interval”) that is configured within SpiderRock ATS.
- Subscriber may opt out of having orders that they route to SpiderRock ATS for interacting in SpiderRock ATS, including the associated request for response/IOI mechanism, by providing an opt out notice to SpiderRock via email to [cs@spiderrock.net](mailto:cs@spiderrock.net).
- SpiderRock views SpiderRock ATS order information as confidential, and that as such, Subscribers will not have access to the identities the counterparties to their trades, except as may be required under applicable laws and rules, or when a Subscriber explicitly requests that SpiderRock share its identity with a Responder. Notwithstanding the above, Subscribers understand and agree that its information (including order and trade history) may be made visible by SpiderRock’s Concierge Desk so that this desk can potentially help the Subscriber optimize its trading by attempting to access additional liquidity providers outside SpiderRock ATS. This includes broker dealer partners of SpiderRock that are not

subscribers of SpiderRock ATS. Subscribers may opt out of this dissemination of order information to SpiderRock's Concierge Desk, and its broker dealer partners, by contacting [cs@spiderrock.net](mailto:cs@spiderrock.net).

- SpiderRock is authorized to include Subscriber's SpiderRock ATS order and trade data in aggregated trading volumes advertised via third-party systems or in aggregated trading volumes or other statistics in its marketing or other materials including, for example, materials showing aggregated trading volumes that were executed in SpiderRock ATS over a prior day, week, month or other period of time. Subscribers may opt out of having its SpiderRock ATS related volume(s) advertised by providing written notice to SpiderRock via email to [cs@spiderrock.net](mailto:cs@spiderrock.net).
- Subscriber will comply with all rules and requirements relating to the operation of SpiderRock ATS as established by SpiderRock, and as communicated to the Subscriber from time to time, and it will, at all times, act in good faith when participating in SpiderRock ATS. Subscriber understands and agrees that it may be obligated to enter into transactions with counterparties in accordance with the rules and requirements relating to the operation of SpiderRock ATS.
- Subscriber understands that it may request to limit its interactions with certain other Subscribers or classes of Subscribers in SpiderRock ATS if such request is consistent with the rules and requirements relating to the operation of SpiderRock ATS; provided, however, that SpiderRock is under no obligation to grant such a request. Additionally, if another Subscriber requests that it not interact with a Subscriber and that SpiderRock grants such request, the Subscriber understands that its orders will not interact with or be paired against those of the requesting Subscriber even if there would have been paired under ordinary circumstances.

Please contact SpiderRock's sales representatives if you would like to obtain further information regarding SpiderRock ATS.

## **6. BUSINESS CONTINUITY PLAN**

SpiderRock has developed a Business Continuity Plan (BCP) to provide reasonable assurance that we can maintain business continuity in the event that there are disruptions of normal business operations and to establish how we will respond to events that significantly disrupt our business.

Since the timing and impact of disasters and disruptions is unpredictable, our BCP is designed to be flexible in responding to actual events as they occur. However, no contingency plan provides absolute assurance that an interruption will not occur or that a disruption of normal operations will result from a disruptive event. With that in mind, we are providing you with this information on our business continuity plan.

### **A. Our Business Continuity Plan**

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records and providing information to our clients that will enable them to transact business. Our business continuity plan is designed

to permit the Firm and our clients to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

In order to maintain the security and effectiveness of this plan, we do not provide specific details in this disclosure. However, we can tell you that the plan does address the following topics:

- data backup and recovery;
- all mission critical systems and, where applicable, how they could be reestablished;
- financial and operational risks assessment;
- alternative communications be us, our clients, employees, and regulators;
- alternate physical location for employees, and logistical and safety strategies;
- critical supplier, contractor, bank and counter-party impact; and
- regulatory reporting.

## **B. Cybersecurity**

During a Significant Business Disruption (“SBD”), SpiderRock will take additional measures and incorporate additional training in order to protect its clients personally identifiable information and other confidential information. These efforts are designed to address potential vulnerabilities around remote access to networks and the use of web-based applications; the increased use of personally-owned devices; and changes in controls over physical records, such as sensitive documents printed at remote locations in the absence of personnel at SpiderRock’s offices. Additional information concerning the Firm’s cybersecurity efforts can be found in its Cybersecurity Policy.

## **C. BCP Review**

SpiderRock’s BCP is reviewed, at a minimum, on an annual basis, and will be updated to reflect any new policies and procedures identified during this review.

## **D. Contacting Us**

If, during a SBD, you cannot contact us as you usually do at either 312-256-9600 or [cs@spiderrock.net](mailto:cs@spiderrock.net), you are advised to call one of our alternative numbers (312) 986-8710 or (614) 581-2539. If SpiderRock is not reachable at these numbers, clients are to contact their respective clearing firms for instructions on how they may provide prompt access to funds and securities, enter or cancel orders or process other trade-related, cash and security transfer transactions.

# **7. PRIVACY POLICY**

## **A. Protecting Your Privacy**

At SpiderRock, our customers and their identities and privacy are important to us and we are dedicated to protecting the information that you provide us. As such, we have developed this privacy policy, which may be updated from time to time.

## **B. Our Pledge to You**

While information plays a large role in our ability to provide superior service, we know that our most important asset is our customers' confidence in us. Keeping customer information secure, and using it only as our customers would want us to, are matters of principle for all of us at SpiderRock. With this in mind, here is our pledge to each and every SpiderRock customer.

We will:

- Respect the trust you place in us and the confidential nature of the information you provide through your financial relationship with us.
- Limit the collection and use of customer information to what we believe would be useful to service your accounts, administer our business, or tell you about our services.
- Restrict employee access to customer information to those who need to know in order to provide services to you.
- Educate our employees to reinforce the importance of confidentiality and customer privacy.
- Maintain appropriate security standards and procedures to protect information about you.
- Respond quickly to your request to correct inaccurate information.
- Protect the privacy of the information you have entrusted to us and to provide you with the responsive, professional service you deserve.

## **C. Information We Collect**

We collect information from you in order to provide the financial services that you have requested. The information we collect and maintain about you comes primarily from you and during the course of you doing business with SpiderRock. The information SpiderRock collects and, when applicable, provides to our clearing firms may come from the following sources:

- Information you provide to us when you fill out account opening documents, complete a form, or make a request for services. This includes your name, address, e-mail address, age, Driver's License number, Social Security Number, Tax ID, investment objectives, investment experience, telephone number(s), occupation, assets and income.
- Information from your transactions with us, such as your account balance, account usage and margin loan history.
- Information that may be received from consumer reporting agencies, such as credit bureau reports and other information relating to your creditworthiness.

- Information that may be received from other sources with your consent or with the consent of your introducing broker.
- If any of the above noted personal information changes, please contact us so that we may update your account.

#### **D. How the Information Helps Both You and Us**

Our mission is clear: to help you reach your trading goals. Information about you and your accounts plays a key role in our ability to succeed in this mission. It also helps us service your accounts and administer our business. For example, we use information about you to:

- Respond more accurately and efficiently to your requests.
- Identify opportunities to give you more convenience and control by developing new services that may benefit you.
- Secure your accounts and help protect you and SpiderRock from fraud.

#### **E. Keeping Information Safe**

We limit access to the information we have about you to those employees who need to know to provide you with services to help you meet your financial needs. We maintain appropriate physical, electronic and procedural safeguards to protect your information.

#### **F. The Importance of Being Accurate**

SpiderRock has security standards and procedures in place designed to prevent unauthorized access to your accounts and personal information. A key part of this process ensures that all information we have about you is accurate and up-to-date. If you ever discover inaccuracies in our data or if your personal information changes, we urge you to notify us immediately.

#### **G. Sharing Information**

To protect your privacy, we limit the information we share outside SpiderRock. We conduct our business with great respect for the confidential nature of the information being provided. We will not share information about you except as outlined below. SpiderRock does not sell customer (current or former) information to third parties under any circumstance.

##### **(1) Sharing Information with Companies who Help Us Provide You Services**

We may share the information described under the Section captioned “Information We Collect” with affiliates of SpiderRock. Additionally, this information may be shared with companies external to SpiderRock (“outside companies” or “third parties”) to complete a transaction you have requested, to help us service your account, and to allow us to offer you improved products and services. We are highly selective in choosing these companies. All companies with whom we do business are contractually obligated to comply with strict standards regarding security and confidentiality, and the information can be used only for the sole purpose of providing the service we have requested the company to perform.

Examples of the types of outside companies with which we may share information to help us service your account include non-financial companies that perform services for us such as data processing and companies that perform securities execution and clearing services on our behalf. In order to offer improved products and services to you, we may engage outside companies who use third- party technology to assist us with certain functions such as client satisfaction surveys, business or marketing analysis, or other data collection activities relevant to our business. Use of any shared information is strictly limited to the performance of the task we request and for no other purpose.

## (2) Sharing Information in Other Situations

SpiderRock does not disclose nonpublic personal information relating to current or former customers to any third parties, except as required or permitted by law and in order to facilitate the clearing of customer transactions in the ordinary course of business. SpiderRock may also be required to release your information to third parties as required by law or to cooperate with regulators or law enforcement authorities. This may include releasing such information to nonaffiliated parties such as the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission (SEC), National Futures Association (NFA) or the Internal Revenue Service (IRS) as well as any of the securities exchanges or regulatory authorities in states in which SpiderRock is registered. SpiderRock may also be required to disclose nonpublic, personal information as required under court order or subpoena or for certain obligations of SpiderRock under the USA Patriot Act.

## **H. Linking to Other Sites**

From time to time, SpiderRock's website may provide links to other websites not owned or controlled by SpiderRock that we think might be useful or of interest to you. We cannot, however, be responsible for the privacy practices used by other website owners or the content or accuracy of those other websites. Links to various non-SpiderRock websites do not constitute or imply endorsement by SpiderRock of these websites, any products or services described on these sites, or of any other material contained in them. It is always your choice whether or not to participate in certain promotions and special offers that may be made to you via these other websites.

## **I. Opting Out**

If you no longer wish to receive marketing and promotional material from SpiderRock, you can opt out by contacting your usual contact within SpiderRock. Even if you decide to opt out and no longer receive SpiderRock marketing and promotional material, you are required to maintain an email address with SpiderRock while a client so that we can continue to email you legally required notices and trade related information in order to transact business effectively and follow regulatory guidelines.



## **J. Privacy Security**

SpiderRock strives to ensure that its systems are secure and that they meet industry standards. We protect personal information that is provided to us by maintaining physical, electronic and procedural safeguards

that either meet or exceed applicable law. Where appropriate, SpiderRock employs firewalls, encryption technology, user authentication systems (i.e. passwords and personal identification numbers) and access control mechanisms to control access to systems and data. Third parties who may have access to such personal information must also agree to follow appropriate standards of security and confidentiality. SpiderRock instructs their employees to use strict standards of care in handling the personal financial information of customers. As a general policy SpiderRock's staff will not discuss or disclose information regarding an account except with authorized personnel of that account or as required by law or pursuant to regulatory request and/or authority.

## **K. An Ongoing Commitment to Your Privacy**

SpiderRock is just as committed to protecting the privacy of our former customers as we are our current customers. If you choose to close your account(s) or become an inactive customer, you will continue to be protected by the privacy policies and principles described in this policy.

## **L. Notification of Changes to SpiderRock's Privacy**

SpiderRock's Privacy Policy may change from time to time. If material changes are made to the Privacy Policy, SpiderRock will promptly send (via regular mail or e-mail) the updated version to our current customers and provide an updated version of the policy on its website for easy reference.

## **M. Contacting SpiderRock Regarding this Privacy Policy**

To request a copy our Privacy Policy please email us at [cs@spiderrock.net](mailto:cs@spiderrock.net) and to speak with a person at SpiderRock regarding SpiderRock's Privacy Policy, please email us at [cs@spiderrock.net](mailto:cs@spiderrock.net) or call (312) 256-9602.

## **8. CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS**

Prior to buying or selling an option, investors must be provided with a copy of the Options Disclosure Document (ODD), which explains the characteristics and risks of exchange traded options. SpiderRock encourages all of our clients to read the full Disclosure Document and any related supplements prior to engaging in options trading. A copy of the most recent ODD, which includes all supplements, may be found on The Options Clearing Corporation website at: <https://www.theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document>

You should be aware that options trading involves significant risks and is not suitable for all investors. In addition, electronic trading of options poses unique risks to investors and system response and access times may vary due to market conditions, system performance and other factors.

## **9. NATURE AND RISKS OF ADVANCED ORDERS**

### **A. Advanced Orders Overview**

SpiderRock provides certain types of “advanced orders” as a service to its customers. However, advanced orders pose unique risks that you should understand before making use of them. By choosing to use the advanced orders service you acknowledge that you have read, understood, and will abide by the following terms and conditions.

Advanced orders are held at SpiderRock on SpiderRock servers and are not sent or routed to the marketplace until they are triggered based on the conditions you specified at the time the order was created or modified.

All advanced orders are delivered on a “not held” basis. Advanced orders are subject to additional risk due to system failure or technical difficulties, whether at SpiderRock or at any exchange, clearing house or service provider. In addition, some advanced orders may not be eligible for execution at the time the order is triggered, such as orders that conflict with other open orders or existing positions, or orders that are no longer supported by your approved trading level.

Furthermore, you understand that advanced orders may be affected by system outages or failures and that SpiderRock is not responsible for advanced orders that are affected by quote data irregularities. Advanced orders are at risk of data transmission errors including quote data issues. In the event of a missing quote or misquote, advanced orders may be erroneously delivered, or may fail to be sent to the marketplace for execution. In addition, rapid quote movements or misquotes may trigger advanced orders or impact user- defined contingent factors.

You are solely responsible for maintaining your open orders and advanced orders to avoid conflict or duplication of orders. SpiderRock neither warrants nor guarantees that conflicting orders will be prevented by the advanced order service. You will be solely responsible for the resolution of conflicting or erroneous advanced orders at your own risk and expense.

At the time you place an advanced order the buying power in your account will be adjusted to reflect the advanced order as if it had been executed in the marketplace at either the limit price you provided or at the current market price. In the event your advance order is triggered, it will be sent directly to the marketplace without regard to any additional impact to your buying power or margin requirements. If the execution of an advance order generates a margin call you will be responsible for meeting that call within the allotted timeframe.

SpiderRock provides the advanced orders service to its customers “as is” and SpiderRock is not responsible for any delays, omissions or inaccuracies in the service. Furthermore, SpiderRock EXS, its affiliates, agents, and data providers do not warrant or guarantee the accuracy, sequence, completeness, timeliness, merchantability, or fitness for a purpose of this service. SpiderRock, its affiliates, agents, and data providers are not liable to you or to anyone else for any losses caused in whole or in part by its negligence or omission in procuring, compiling, interpreting, editing, writing, reporting or delivering any information or data through its advanced orders service. By using this service, you waive your right to any consequential, special or similar damages, including but not limited to lost profits, trading losses, loss of use of this service or any other damages. SpiderRock reserves the right to limit or discontinue this service at any time without prior notice to you.

You acknowledge that you have read, understood and will abide by terms and conditions of this service. Your continued use of this service constitutes your agreement with the terms and conditions stated herein.

## **B. SpiderRock’s Advanced Orders Service**

Advanced orders are held at SpiderRock on SpiderRock servers until triggered. All facets of advanced orders are compared to quote data on regular cycles, typically of less than thirty seconds. The length of the cycle may vary dependent on market conditions. SpiderRock will reset user-defined moving contingent factors every quote comparison cycle. On movement of user-defined contingent factors and triggering of an advanced order the bid/ask or last sale will be used as determined by you at the time the advanced order is entered.

## **10. REGULATION SHO**

Clients should be aware of their responsibility to mark orders properly when sending them to SpiderRock for routing. Where applicable, clients must receive a locate of stock for any sell orders marked “short”, and comply with long/short order marking provisions of Regulation SHO and all other relevant exchange and SEC rules, regulations or related orders.

## **11. ORDER ROUTING, ORDER FLOW AND REPORTING**

When firms provide execution services to customers, either in conjunction with clearing services or in an execution only capacity, they may, in some circumstances, direct orders to unaffiliated market makers, other executing firms, individual floor brokers or floor brokerage groups for execution. When such unaffiliated parties are used, they may, where permitted, agree to price concessions, volume discounts or refunds, rebates or similar payments in return for receiving such business. This could be viewed as an apparent conflict of interest. In order to determine whether transactions executed for your account are subject to the above circumstances, please contact your executing firm account representative.

In addition, under SEC Rule 606(a)(1), broker-dealers that route equity and option orders on behalf of customers are required to prepare quarterly reports that disclose specific information about their order routing practices for non-directed orders in NMS stocks and option contracts in NMS securities.

Under SEC Rule 606(b)(1), customers can request specific order routing and execution information for the preceding six months. The information will include the identity of the venue where your orders were routed for execution, whether the orders were directed or non-directed, and if executed, the time of execution.

Under SEC Rule 606(b)(3), broker-dealers are required, upon request of a customer that places not-held orders, to provide specific disclosures regarding routing and execution of such orders for the prior six months.

SpiderRock EXS 606(a)(1) reports can be found at <https://spiderrockexs.com/notices-disclosures/>

For customers requesting 606(b)(1) and 606(b)(3) please email us at [cs@spiderrock.net](mailto:cs@spiderrock.net) or call (312) 256- 9602.

## **12. DISCLOSURE OF PAYMENT FOR ORDER FLOW**

Rule 607 of Regulation NMS requires broker-dealers to disclose, upon opening a new customer account and on an annual basis thereafter: (i) their policies regarding payment for order flow, including a statement as to whether any payment for order flow is received for routing customer orders and a detailed description of the nature of the compensation received; and (ii) their policies for determining, in the absence of specific customer instructions, where to route customer orders that are the subject of payment for order flow, including a description of the extent to which orders can be executed at prices superior to the National Best Bid / Offer.

Certain venues offer cash credits or rebates for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. Other venues are inverted, meaning they offer those benefits for orders that remove liquidity and charge fees for orders that provide liquidity. SpiderRock routes orders to exchanges that provide these programs and may be eligible for these benefits under the relevant exchange rules.

The Firm has an agreement with Instinet, pursuant to which the Firm is provided access to its exchange tiered pricing/payment schedule for client orders routed to Instinet for execution on the exchange. Information reflecting Instinet's tiered pricing schedule can be found at the following link: <https://spiderrockexs.com/supplemental-reports/>. Pursuant to this agreement, the Firm also receives (i) 100% of any benefit tied to Instinet's tiered pricing/payment schedule for the tiers that the Firm reaches independent of Instinet's customer orders, and (ii) a split of any benefit between the tier reached by the Firm's customer orders and the tier reached by Instinet inclusive of the Firm's customer orders. Finally, this agreement allows the Firm to benefit from a portion of payments for order flow ("PFOF") that Instinet receives from the Firm's client orders that are routed to Instinet for execution on the exchange. SpiderRock EXS, LLC also has an agreement with IMC Chicago, LLC. In this agreement SpiderRock EXS, LLC may route orders to options exchanges which support "preferenced" orders, and in certain instances SpiderRock EXS options orders may identify IMC as SpiderRock's EXS preferred options market maker. Information on the Firm's PFOF payments for this quarter can be found at the following link: <https://spiderrockexs.com/supplemental-reports.>

SpiderRock's routing decisions are based on a number of factors, including but not limited to, price, liquidity, venue reliability, cost of execution, likelihood of execution and potential for price improvement and we remain committed to the best execution for our clients regardless of our participation in these programs.

### **13. FINRA AND NFA INVESTMENT PROTECTION INVESTMENT RESOURCES**

The Financial Industry Regulatory Authority (FINRA) runs a public disclosure program known as BrokerCheck that provides information about brokerage firms and their registered persons. To obtain an investor brochure that includes information about BrokerCheck or to obtain additional information, contact the FINRA public disclosure hotline at (800) 289-9999 or visit the BrokerCheck website at <http://brokercheck.finra.org>. FINRA's general website is located at [www.finra.org](http://www.finra.org). BASIC is a free tool that NFA Members and investors can use to research the background of derivatives industry professionals ([www.nfa.futures.org](http://www.nfa.futures.org))

### **14. CUSTOMER COMPLAINTS**

Should you have a complaint regarding SpiderRock, its employees or the services we have provided you, please direct such complaint to:

SpiderRock EXS, LLC  
Attn: Chief Compliance Officer 300 S. Riverside Plaza, Suite 2350  
Chicago, IL 60606 [cs@spiderrock.net](mailto:cs@spiderrock.net) (312) 256-9602

## **LEGAL DISCLAIMERS**

### **1. INTELLECTUAL PROPERTY**

Where applicable, the intellectual property rights (including copyright, patents, and trademarks) whether registered or not in this publication shall remain the property of SpiderRock EXS, LLC (SpiderRock) and no customer or other person shall, or shall attempt to obtain any title to such rights. Information appearing in this document is the copyright of SpiderRock and must not be reproduced in any medium without license. Users are permitted to copy some material for their personal use as private individuals only. Users must not republish any part of the data either on another website, or in any other medium, print, electronic or otherwise, or as part of any commercial service without the prior written permission of SpiderRock. If you require any further information on permitted use, or a license to republish any material, email us at [learn@spiderrock.net](mailto:learn@spiderrock.net) or address your inquiry to Telephone 312-256-9618, Facsimile: 312-256-9640. If you are granted a license to reproduce material you will be required to follow some simple guidelines about the way the information is displayed. An acknowledgement of the source must be included whenever SpiderRock copyright material is copied or published.

### **2. AMENDMENT**

SpiderRock may at any time, revise its Terms and Conditions by updating this information. You are bound by any such revisions and should therefore periodically contact SpiderRock to review the then current Terms and Conditions to which you are bound.

### **3. MONITORING BY SPIDERROCK**

Your use of the Services may be monitored by SpiderRock, and the resultant information may be used by SpiderRock for its internal business purposes or in accordance with the rules of any applicable regulatory or self-regulatory organization.

### **4. NO LIABILITY FOR CONTENT; NO LIABILITY ARISING FROM USE**

SpiderRock shall have no liability, contingent or otherwise, to you or to third parties, or any responsibility whatsoever, for the failure of any connection or communication service to provide or maintain your access to the Services, or for any interruption or disruption of such access or any erroneous communication between SpiderRock and you, regardless of whether the connection or communication service is provided by SpiderRock or a third party service provider. SpiderRock shall have no liability, contingent or otherwise, to you or to third parties, for the correctness, quality, accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Services and data or for any other aspect of the performance of the Services or for any failure or delay in the execution of any transactions through the Services. In no event will SpiderRock be liable for any special, indirect, incidental, or consequential damages which may be incurred or experienced on account of you using the Services or data even if SpiderRock has been advised of the possibility of such damages. SpiderRock will have no responsibility to inform you of any difficulties experienced by SpiderRock or third parties with respect to the use of the Services or to take any action in connection therewith.

## **5. NO WARRANTIES MADE AS TO SECURITY**

SpiderRock makes no warranty whatsoever to you, express or implied, regarding the security of the Services, including with respect to the ability of unauthorized persons to intercept or access information transmitted by you through the Services.

## **6. SYSTEM OUTAGES AND SLOWDOWNS**

As a result of high Internet traffic, transmission problems, systems capacity limitations, and other problems, you may, at times, experience difficulty accessing the Services or communicating with SpiderRock through the Internet or other electronic and wireless services. Any computer system or other electronic device, whether it is yours, an Internet service provider's or SpiderRock's, can experience unanticipated outages or slowdowns, or have capacity limitations.

## **7. VALUES AND PRICING ARE ONLY INDICATIVE**

Prices posted on the Services, unless otherwise indicated, are subject to change, are not to be used for valuation purposes, and should not be relied upon for such purposes. Values or prices generated through use of the Services or data made available through the Services are not related to size and, unless otherwise specified, may not reflect actual prices or values that would be available in the market at the time that you may want to purchase or sell a particular security, currency, commodity, option, forward, or other instrument either with or through SpiderRock or any other party. The Services and data are calculated based on historical information and should not be relied upon to predict future values or prices. The Services and data are similar to, but may not be identical to, services and data used by SpiderRock for its internal purposes; and there can be no assurance that the quantitative outputs or other results obtained by use of the Services or data will be the same as those that SpiderRock may obtain from its own pricing models. Even where prices are posted as bids or offers for actual transactions, such prices are subject to change until the execution of any such transaction is completed.

## **8. VALUES MAY BE OBTAINED OR DERIVED FROM PRICING SERVICES**

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#### **12. NO RELIANCE UPON HARDWARE REQUIREMENTS**

All recommendations and suggestions contained in the Hardware Requirements section of the SpiderRock FIX Gateway API Document are for informational purposes only and should not be relied upon. Each subscriber must analyze its own requirements to determine what hardware, communications links, and products would be necessary for its intended usage.

#### **13. JURISDICTION**

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