CEDAR FAIR L P
Form DEFC14A
May 03, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

CEDAR FAIR, L.P.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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One Cedar Point Drive

Sandusky, Ohio 44870-5259

May 3, 2011

Dear Fellow Unitholder:

A special meeting of unitholders (the Special Meeting) of Cedar Fair, L.P. (the Company) will be held on June 2, 2011 at 9:00 a.m. (Eastern Daylight Time) at the Cedar Point Center at BGSU Firelands College, One University Drive, Huron, Ohio. The Special Meeting is being called by resolution of the board of directors (the Board of Directors or the Board) of Cedar Fair Management, Inc., the general partner of the Company (the General Partner), as a result of the delivery to the Company by Q Funding III, L.P. and Q4 Funding, L.P. (together with Geoffrey Raynor, Q Investments), of a written request to call a Special Meeting of the Company.

The purpose of the Special Meeting is to consider two proposals relating to the right of unitholders to nominate directors for election to the Board of Directors. Both of the proposals are more fully addressed in the Company s notice and proxy statement attached to this letter. We encourage you to read the Company s materials carefully, and then vote the enclosed **WHITE** proxy card.

Our Board of Directors understands that unitholders may desire to have the right to nominate directors for election to the Board of Directors. However, neither the regulations of the General Partner nor our limited partnership agreement currently permits unitholders to nominate directors for election to the Board of Directors. Given the governance structure of the General Partner and the Company, the regulations of the General Partner must be amended in order to give unitholders the right to nominate directors for election to the Board of Directors. Therefore, two related proposals are being proposed that, if approved, would give unitholders the right to nominate directors for election to the Board of Directors. Specifically, the two proposals, if approved, will (i) amend the regulations of the General Partner to permit the limited partnership agreement to include a provision giving unitholders the right to nominate directors for election to the Board of Directors (Proposal 1) and (ii) amend our limited partnership agreement to establish certain procedures and information requirements pursuant to which unitholders can nominate directors for election to the Board of Directors (Proposal 2 and, together with Proposal 1, the Proposals). **The Board of Directors makes no recommendation with respect to Proposal 1 and Proposal 2.**

The Proposals are being considered for the purpose of providing unitholders with an opportunity to vote on proposals that are compliant with the governance structure of the Company and the General Partner and that, if approved, would effectively establish the right of unitholders to nominate directors for election to the Board of Directors. For the reasons described in the attached proxy statement, the Board of Directors makes no recommendation with respect to Proposal 1 and Proposal 2.

Enclosed are a notice of matters to be voted on at the Special Meeting, our proxy statement and a **WHITE** proxy card. The attached proxy statement provides you with detailed information about the Special Meeting. We encourage you to read the entire proxy statement carefully. You may also obtain more information about the Company from documents we have filed with the Securities and Exchange Commission.

Your vote is important regardless of the number of units that you own. The Board of Directors urges you to sign, date and deliver the enclosed **WHITE** proxy, as promptly as possible, in the enclosed postage-paid reply envelope, or submit your proxy by telephone or the Internet. Instructions regarding Internet and telephone voting are included on the **WHITE** proxy card (or, if applicable, in your electronic delivery notice). If you have any questions or need assistance in voting your units, please contact our proxy solicitor, Morrow & Co., LLC, toll-free at (800) 206-5879.

I can assure you that your Board of Directors and management will continue to act in the best interest of all of the Company s unitholders. Thank you in advance for your cooperation and continued support.

Sincerely,

CEDAR FAIR MANAGEMENT, INC.

Richard L. Kinzel

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated May 3, 2011 and is first being mailed to unitholders on or about May 4, 2011.

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One Cedar Point Drive

Sandusky, Ohio 44870-5259

NOTICE OF SPECIAL MEETING OF LIMITED PARTNER UNITHOLDERS

TO BE HELD ON JUNE 2, 2011

This notice and the attached proxy statement are being furnished to the unitholders of Cedar Fair, L.P., a Delaware limited partnership (the Company), in connection with the upcoming special meeting of unitholders (the Special Meeting) and the related solicitation of proxies by the Board of Directors (the Board of Directors or the Board) of Cedar Fair Management, Inc., the general partner of the Company (the General Partner), from holders of outstanding units of the Company for use at the Special Meeting and at any adjournment or postponement thereof. In this notice and the attached proxy statement, all references to we, our and us refer to the Company, except as otherwise provided.

The purpose of the Special Meeting is to consider the two proposals described in the attached proxy statement relating to the right of unitholders to nominate directors for election to the Board of Directors.

NOTICE IS HEREBY GIVEN that a Special Meeting of the Company will be held on June 2, 2011 at 9:00 a.m. (Eastern Daylight Time) at the Cedar Point Center at BGSU Firelands College, One University Drive, Huron, Ohio. All unitholders of record on April 11, 2011 are invited to attend the Special Meeting. The Special Meeting is called for the following purposes:

1. To consider and vote upon a proposal to amend the Regulations of the General Partner (the Regulations) to amend and restate Section 14 of the Regulations in order to provide that the Company s Fifth Amended and Restated Agreement of Limited Partnership (the Partnership Agreement) may include a provision giving unitholders the right to nominate directors for election to the Board of Directors, which amendment is more fully described in the attached proxy statement (Proposal 1).

The Board of Directors makes no recommendation with respect to Proposal 1.

2. To consider and vote upon a proposal to amend the Partnership Agreement to add a new subsection at the end of Section 6.2 of the Partnership Agreement that would establish certain procedures and information requirements pursuant to which unitholders can exercise the right to nominate directors for election to the Board of Directors, which amendment is more fully described in the attached proxy statement (Proposal 2 and, together with Proposal 1, the Proposals).

The Board of Directors makes no recommendation with respect to Proposal 2.

3. To consider and vote upon such other business as may be properly presented at the meeting or any adjournment or adjournments thereof.

Only limited partners that held units as of the close of business on April 11, 2011, are entitled to notice of, and to vote at, the Special Meeting and at any adjournments or postponements of the Special Meeting.

With respect to Proposal 1, pursuant to the terms of the Regulations, Proposal 1 must be approved by the holders of eighty percent (80%) of the outstanding units of the Company entitled to vote. With respect to Proposal 2, pursuant to the terms of the Partnership Agreement, Proposal 2 must be approved by both the General Partner and the holders of a majority of the outstanding units of the Company entitled to vote. However, because the Regulations must be amended in order to permit unitholders to have the right to nominate directors for

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election to the Board of Directors, the General Partner will only approve Proposal 2 if both Proposal 1 and Proposal 2 are approved by the respective requisite vote of unitholders. Unitholders should note that they will not have the right to nominate directors for election to the Board of Directors unless both Proposal 1 and Proposal 2 are approved by unitholders as set forth above.

Even if you plan to attend the Special Meeting in person, we request that you complete, sign, date and return the enclosed **WHITE** proxy or submit your proxy by telephone or the Internet prior to the Special Meeting to ensure that your units will be represented at the Special Meeting if you are unable to attend. If you fail to return your **WHITE** proxy card or fail to submit your proxy by telephone or the Internet, your units will not be counted for purposes of determining whether a quorum is present at the meeting and will have the same effect as a vote against Proposal 1 and Proposal 2. If you are a unitholder of record, voting in person at the meeting will revoke any proxy previously submitted. If your units are held in street name, which means your units are held of record by a broker, bank or other nominee you should follow the voting instructions provided by your broker, bank or other nominee.

Attendance at the Special Meeting is limited to unitholders. To gain admittance, you must present valid photo identification, such as a driver s license or passport. If you hold units in street name (that is, through a broker, bank or other nominee) and would like to attend the Special Meeting, you will need to bring an account statement or other acceptable evidence of ownership of the units as of the close of business on April 11, 2011, the record date, and valid photo identification. If you are the representative of a corporate or institutional unitholder, you must present valid photo identification along with proof that you are the representative of such unitholder. In addition, if you would like to attend the Special Meeting and vote in person, in order to vote, you must contact the person in whose name your units are registered, obtain a proxy from that person and bring it to the Special Meeting. The use of cell phones, PDAs, pagers, recording and photographic equipment, camera phones and/or computers is not permitted in the meeting rooms at the Special Meeting.

THE BOARD OF DIRECTORS MAKES NO RECOMMENDATION WITH RESPECT TO PROPOSAL 1 AND PROPOSAL 2. Please note that we believe that Q Funding III, L.P. and Q4 Funding, L.P. (together with Geoffrey Raynor, Q Investments) intend to solicit proxies for use at the Special Meeting to vote in favor of Proposal 1 and Proposal 2. You may receive proxy solicitation materials from Q Investments, including a proxy statement and a duplicate copy of the white proxy card.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF UNITS YOU OWN. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED WHITE PROXY CARD IN THE ACCOMPANYING REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE WHITE PROXY CARD. ANY PROXY MAY BE REVOKED AT ANY TIME PRIOR TO ITS EXERCISE BY NOTIFYING OUR SECRETARY IN WRITING OF THE REVOCATION, BY DELIVERY OF A LATER-DATED PROXY, BY USING THE TOLL-FREE TELEPHONE NUMBER OR INTERNET WEBSITE ADDRESS OR BY VOTING IN PERSON AT THE SPECIAL MEETING.

If you have any questions about this proxy or require assistance in voting your units on the **WHITE** proxy card, or need additional copies of the Company s proxy materials, please contact: Morrow & Co., LLC, at (203) 658-9400 or toll free at (800) 206-5879.

CEDAR FAIR MANAGEMENT, INC.

Richard L. Kinzel

President and Chief Executive Officer

Sandusky, Ohio

May 3, 2011

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ABOUT THE SPECIAL MEETING

General

We are sending you this proxy statement as part of a solicitation of proxies by the Board of Directors (the Board of Directors or the Board) of Cedar Fair Management, Inc. (the General Partner) for use at the upcoming special meeting of unitholders of Cedar Fair, L.P. (the Company) and at any adjournment or postponement thereof (the Special Meeting). We anticipate that this proxy statement and the accompanying **WHITE** proxy card will first be mailed to the unitholders of the Company on or about May 4, 2011.

Time and Place

The Special Meeting will be held at the Cedar Point Center at BGSU Firelands College, One University Drive, Huron, Ohio, on June 2, 2011, at 9:00 a.m. (Eastern Daylight Time). All unitholders of record on April 11, 2011 are invited to attend the Special Meeting.

Matters to be Considered

At the Special Meeting, unitholders will be asked to consider and vote upon two proposals relating to the right of unitholders to nominate directors for election to the Board of Directors. At the Special Meeting, the limited partners will be asked:

1. To consider and vote upon a proposal to amend the Regulations of the General Partner (the Regulations) to amend and restate Section 14 of the Regulations in order to provide that the Company s Fifth Amended and Restated Agreement of Limited Partnership (Partnership Agreement) may include a provision giving unitholders the right to nominate directors for election to the Board of Directors, which amendment is more fully described in this proxy statement (Proposal 1).

The Board of Directors makes no recommendation with respect to Proposal 1.

2. To consider and vote upon a proposal to amend the Partnership Agreement to add a new subsection at the end of Section 6.2 of the Partnership Agreement that would establish certain procedures and information requirements pursuant to which unitholders can exercise the right to nominate directors for election to the Board of Directors, which amendment is more fully described in this proxy statement (Proposal 2 and, together with Proposal 1, the Proposals).

The Board of Directors makes no recommendation with respect to Proposal 2.

3. To consider and vote upon such other business as may be properly presented at the meeting or any adjournment or adjournments thereof.

The primary purpose of your Board s proxy solicitation is to seek your votes on Proposal 1 and Proposal 2. Your Board makes no recommendation regarding whether you should vote for or against Proposal 1 and Proposal 2. The Proposals are being considered for the purpose of providing unitholders with an opportunity to vote on proposals that are compliant with the governance structure of the Company and the General Partner and that, if approved, would effectively establish the right of unitholders to nominate directors for election to the Board of Directors. The Board is not aware of any other matters to be presented other than those described in this proxy statement.

Important Notice Regarding Availability of Proxy Materials For the Unitholders Meeting to be held June 2, 2011

The proxy solicitation statement and our annual report on Form 10-K/A are available free of charge at www.cedarfair.com.

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Record Date; Voting Right; Quorum; Vote Required

The Board of Directors has fixed the close of business on April 11, 2011, as the record date for unitholders entitled to notice of and to vote at the Special Meeting. Only holders of record of units on the record date are entitled to notice of the Special Meeting and to vote at the Special Meeting. Each holder of record of units of the Company as of the record date is entitled to cast one vote per unit on each of the Proposals.

The presence in person or by proxy of holders of a majority of the issued and outstanding units entitled to vote at the Special Meeting will constitute a quorum for the transaction of any business. In case a quorum is not present, the vote of the holders of a majority of the units present at the Special Meeting in person or represented by proxy may adjourn the Special Meeting (without notice other than an announcement at the time of the adjournment of the date, time and place of the adjourned meeting) to another date, but no other business may be transacted at the Special Meeting.

With respect to Proposal 1, pursuant to the terms of the Regulations, Proposal 1 must be approved by the holders of eighty percent (80%) of the outstanding units of the Company entitled to vote. With respect to Proposal 2, pursuant to the terms of the Partnership Agreement, Proposal 2 must be approved by both the General Partner and the holders of a majority of the outstanding units of the Company entitled to vote. However, because the Regulations must be amended in order to permit unitholders to have the right to nominate directors for election to the Board of Directors, the General Partner will only approve Proposal 2 if both Proposal 1 and Proposal 2 are approved by the respective requisite vote of unitholders. Unitholders should note that they will not have the right to nominate directors for election to the Board of Directors unless both Proposal 1 and Proposal 2 are approved by unitholders as set forth above.

Abstentions will be counted for purposes of establishing a quorum at the Special Meeting, will be counted as votes cast and will have the effect of a vote against each of Proposal 1 and Proposal 2. If you do not vote, your units will not be counted for purposes of establishing a quorum and will have the same effect as a vote against each of Proposal 1 and Proposal 2.

As of April 11, 2011, there were approximately 55,345,716 units outstanding and entitled to vote at the Special Meeting, held by approximately 7,500 holders of record. As of April 11, 2011, the Board of Directors and executive officers of the General Partner and their affiliates beneficially owned 1,781,009 units (which includes 178,350 vested options), or approximately 3.2% of the total units outstanding on that date. See Security Ownership of Certain Beneficial Owners and Management.

Attendance and Voting Process

Only unitholders of record or their duly authorized proxies have the right to attend the Special Meeting. To gain admittance, you must present valid photo identification, such as a driver s license or passport. If you hold units in street name (that is, through a broker, bank or other nominee) please bring to the Special Meeting an account statement or other acceptable evidence of ownership of the units as of the close of business on April 11, 2011, the record date, and valid photo identification. If you are the representative of a corporate or institutional unitholder, you must present valid photo identification along with proof that you are the representative of such unitholder. Please note that cell phones, PDAs, pagers, recording and photographic equipment, camera phones and/or computers will not be permitted at the Special Meeting.

You may vote in person at the Special Meeting or through a proxy. However, even if you plan to attend the Special Meeting in person, the Board urges you to submit your vote as soon as possible by mail, telephone or the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow unitholders to appoint a proxy to vote their units and to confirm that their instructions have been properly recorded. Instructions for voting by telephone and over the Internet are included on the **WHITE** proxy card. All of the Company s units represented by proxies properly

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received prior to or at the Special Meeting and not revoked will be voted in accordance with the instructions indicated in the proxies.

If you hold units indirectly in a stock brokerage account, bank or other nominee you are considered to be the beneficial owner of units held in street name and these proxy materials are being forwarded to you by your broker, bank or other nominee. If your units are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your units voted. Your broker may have procedures that will permit you to vote by telephone or electronically through the Internet. As the beneficial owner of the units, you have the right to give voting instructions to the broker holding the units. If the beneficial owner does not provide voting instructions then, under the rules of the New York Stock Exchange, the broker who holds units in street name has the discretionary authority to vote on routine proposals. However, brokers are precluded from exercising discretionary authority to vote with respect to non-routine proposals. If the agenda items at a particular meeting consist of both routine proposals and non-routine proposals brokers will exercise discretionary authority to vote with respect to routine proposals and will be precluded from exercising discretionary authority to vote with respect to non-routine proposals, referred to generally as broker non-votes. None of the items on the agenda at the Special Meeting are considered routine under the rules and interpretations of the New York Stock Exchange. As a result, absent specific voting instructions from the beneficial owner of units, brokers are not empowered to vote units with respect to either of the Proposals and, therefore, will not submit a proxy card to the Company on your behalf (*i.e.*, there will be no broker non-votes at the Special Meeting). As a result, if you are a beneficial owner of units held in street name and you do not provide voting instructions to your broker, your shares will not be counted as present for purposes of determining a quorum and will have the same effect as a vote against each of Proposal 1 and Proposal 2.

Any proxy given on the accompanying form through the Internet or telephone may be revoked by the person giving it at any time before it is voted. Proxies may be revoked, or the votes reflected in the proxy changed, by delivering to the Corporate Secretary a written notice of revocation at One Cedar Point Drive, Sandusky, Ohio 44870, by submitting a properly executed later-dated proxy to our Corporate Secretary at One Cedar Point Drive, Sandusky, Ohio 44870, before the vote is taken at the Special Meeting or attending the Special Meeting and voting in person. If your units are voted through your broker, bank or other nominee, you must follow directions received from your broker, bank or other nominee to change your voting instructions.

Solicitation of Proxies

This proxy solicitation by the Company is being made and paid for by the Company on behalf of the Board of Directors. In addition, we have retained Morrow & Co., LLC to assist in the solicitation. We will pay Morrow & Co., LLC a fee of approximately $150,000 as compensation for its services plus reimbursement for its related out-of-pocket expenses. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone or facsimile. These persons will not be paid additional remuneration for their efforts. We will also request brokers, banks and other nominees to forward proxy solicitation materials to the beneficial owners of the Company s units that the brokers, banks or other nominees hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses. The Company will not pay or reimburse the costs incurred by Q Investments in its solicitation of proxies for use at the Special Meeting.

Questions and Additional Information

If you have more questions about the proposals or if you would like additional copies of this document you should call or write:

Morrow & Co., LLC

470 West Avenue

Stamford, CT 06902

Please call: (203) 658-9400 or

Call toll free at: (800) 206-5879

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QUESTIONS AND ANSWERS ABOUT THIS PROXY SOLICITATION

The following questions and answers are intended to address briefly some commonly asked questions regarding this proxy solicitation and the special meeting. These questions may not address all questions that may be important to you as a unitholder. Please refer to the more detailed information contained elsewhere in this proxy statement, which you should read carefully.

Q: Who is making this solicitation?

A: Your Board of Directors.

Q: When and where is the Special Meeting?

A: The special meeting of unitholders (the Special Meeting) will be held on June 2, 2011 at 9:00 a.m. (Eastern Daylight Time) at the Cedar Point Center at BGSU Firelands College, One University Drive, Huron, Ohio.

Q: Who is entitled to vote at the Special Meeting?

A: The Board has set April 11, 2011 as the Record Date for the determination of unitholders who are entitled to notice of and to attend and to vote at the Special Meeting. Only the unitholders of record of the Company as of the close of business on the Record Date, are entitled to notice of, and to attend and to vote at the Special Meeting. The Company will be soliciting proxies from unitholders of record as of the close of business on the Record Date and only such unitholders may execute, withhold or revoke proxies with respect to the matters to be voted upon at the Special Meeting. On the Record Date, there were approximately 55,345,716 units outstanding and entitled to vote at the Special Meeting.

Q: What is the Company asking you to do?

A: You are being asked to vote with respect to the Proposals described in this proxy statement.

1. **Proposal 1**: With respect to the proposal to amend the Regulations to amend and restate Section 14 of the Regulations in order to provide that the Partnership Agreement may include a provision giving unitholders the right to nominate directors for election to the Board of Directors, which amendment is more fully described in this proxy statement, the Board of Directors is making no recommendation to you with respect to such proposal.

2. **Proposal 2**: With respect to the proposal to amend the Partnership Agreement to add a new subsection at the end of Section 6.2 of the Partnership Agreement that would establish certain procedures and information requirements pursuant to which unitholders can exercise the right to nominate directors for election to the Board of Directors, which amendment is more fully described in this proxy statement, the Board of Directors is making no recommendation to you with respect to such proposal.

Q: Why does the Board of Directors make no recommendation with respect to Proposal 1 and Proposal 2?

A: The Board of Directors understands that unitholders may desire to have the right to nominate directors for election to the Board of Directors. However, neither the Regulations nor the Partnership Agreement currently permits unitholders to nominate directors for election to the Board of Directors. Given the governance structure of the General Partner and the Company, the Regulations must be amended in order to give unitholders the right to nominate directors for election to the Board of Directors. The Proposals are being considered for the purpose of providing unitholders with an opportunity to vote on proposals that are compliant with the governance structure of the Company and the General Partner and that, if approved, would effectively establish the right of unitholders to nominate directors for election to the Board of Directors. Unitholders should note that they will not

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have the right to nominate directors for election to the Board of Directors unless both Proposal 1 and Proposal 2 are approved by unitholders.

Q: What are the procedural and informational requirements set forth in Proposal 2 with respect to the right to nominate a candidate for director?

A: The amendments to the Partnership Agreement contemplated by Proposal 2 contain certain procedural and information requirements that prescribe and clarify the procedures that a unitholder must follow and information required to be submitted in order to nominate a candidate for director.

Procedural requirements. Pursuant to the procedural requirements contained in Proposal 2, in order for a director nomination notice to be timely, a unitholder s notice must be delivered to or received by the Company not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year s annual meeting of unitholders. However, if the annual meeting is advanced more than 30 days prior to the anniversary or delayed more than 60 days after such anniversary, then to be timely such notice must received by the Company no later than the later of 70 days prior to the date of the annual meeting or the 10th day following the day on which public announcement of the date of the annual meeting was made. Further, for the 2011 annual meeting, notice must be delivered to or received by the Company not less than 30 days prior to the 2011 annual meeting. In order for a unitholder s notice to be proper, such notice must include all the necessary information prescribed in the Partnership Agreement. In addition, the Company and General Partner are not required to include in its proxy materials any person nominated by a unitholder.

Informational requirements. Pursuant to the informational requirements contained in Proposal 2, the nominating person and the unitholder-nominated director candidate must provide to the Company certain relevant background, biographical, security ownership and other information. The informational requirements include information about the unitholder-nominated director candidate and the nominating person that is equivalent to what the Company would need to include in its proxy statement for the Board s nominees.

Q: If Proposal 1 and Proposal 2 are approved by the respective requisite vote of unitholders, will I have the right to nominate directors of the General Partner at the 2011 annual meeting of unitholders?

A: Yes. The Company currently intends to hold the 2011 annual meeting of unitholders on or about June 30, 2011. However, if both Proposal 1 and Proposal 2 are approved, the Company will ensure that the 2011 annual meeting of unitholders will be set on a date that will enable unitholders to nominate directors for election to the Board of Directors in accordance with the procedural and informational requirements set forth in Proposal 2.

Q: What should I do to vote my units?

A: If you are a unitholder of record, you may vote your units in person at the Special Meeting, vote by proxy using the enclosed **WHITE** proxy card, vote by proxy by telephone or vote by proxy through the Internet. Whether or not you plan to attend the Special Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Special Meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the Special Meeting and vote using the ballot provided at the Special Meeting.

To vote by telephone, or by Internet please use the easy-to-follow instructions on your **WHITE** proxy card. We provide Internet proxy voting to allow you to vote your units online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

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To vote using the enclosed **WHITE** proxy card, simply mark the enclosed **WHITE** proxy card. Then, sign, date and return the enclosed **WHITE** proxy card today in the envelope provided. It is important that you date the **WHITE** proxy card when you sign it. If you return your signed **WHITE** proxy card to us before the Special Meeting, we will vote your units as you direct. If you do not specify how you wish to vote on the Proposals, no votes will be cast with respect to each of Proposal 1 and Proposal 2. The Board makes no recommendation with respect to Proposal 1 and Proposal 2.

If you are a beneficial owner of units registered in the name of your broker, bank or other nominee, you should have received a proxy card and voting instructions with these proxy materials from that organization. Simply sign, date and return the **WHITE** proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker, bank or other nominee. To vote in person at the Special Meeting, you must obtain a valid legal proxy from your broker, bank or other nominee. Follow the instructions from your broker, bank or other nominee included with these proxy materials, or contact your broker, bank or other nominee to request a proxy form.

Q: What is the effect of submitting my proxy using the WHITE proxy card?

A: The delivery of the **WHITE** proxy card will have the effect of revoking any earlier dated proxy card that you may have delivered. By marking the **FOR** box next to Proposal 1 and/or Proposal 2 on the enclosed **WHITE** proxy card and signing, dating and mailing the card in the postage-paid envelope provided, you will be voting for Proposal 1 and/or Proposal 2, as the case may be, and by marking the **AGAINST** box next to Proposal 1 and/or Proposal 2 on the enclosed **WHITE** proxy card and signing, dating and mailing the card in the postage-paid envelope provided, you will be voting against Proposal 1 and/or Proposal 2, as the case may be. You can also vote for or against Proposal 1 and Proposal 2 by telephone or through the Internet. You have the right to revoke your proxy by notifying our secretary in writing of the revocation, by voting for or against Proposal 1 and Proposal 2 by telephone, by Internet or by signing, dating and returning a later-dated **WHITE** proxy card or by voting in person at the Special Meeting.

Q: What if I return a proxy card or otherwise vote but do not make specific choices?

A: If you return your signed **WHITE** proxy card or otherwise vote by returning a **WHITE** proxy card without marking voting selections, no votes will be cast with respect to each of Proposal 1 and Proposal 2.

Q: If I have already delivered a WHITE proxy card to the Company, is it too late for me to change my vote?

A: No. Until the vote is taken at the Special Meeting, any proxy you may have delivered may be revoked. You have the right to revoke your proxy by notifying our secretary in writing of the revocation or by voting for or against Proposal 1 and Proposal 2 by telephone, by Internet or by signing, dating and returning a later-dated **WHITE** proxy card. Even if you have delivered a proxy card but do not revoke your proxy prior to the deadline, you may still attend the Special Meeting and vote your units for or against Proposal 1 and Proposal 2.

Q: How many votes are needed to approve each proposal?

A: Proposal 1 (the Board proposal to amend the Regulations) must receive **FOR** votes, either in person or by proxy at the Special Meeting, from the holders of eighty percent (80%) of the outstanding units of the Company entitled to vote (as required by the Regulations). If you do not vote or **ABSTAIN** from voting, it will have the same effect as an **AGAINST** vote.

Proposal 2 (the Board proposal to amend the Partnership Agreement) must receive FOR votes, either in person or by proxy at the Special Meeting, from the holders of a majority of all of the Company s outstanding units entitled to vote. If you do not vote or ABSTAIN from voting, it will have the same effect as an AGAINST

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vote. However, as more fully described in this proxy statement, the General Partner will only approve Proposal 2 if both Proposal 1 and Proposal 2 are approved by the respective requisite vote of unitholders. Unitholders should note that they will not have the right to nominate directors for election to the Board of Directors unless both Proposal 1 and Proposal 2 are approved.

Q: How many votes do I have?

A: On each matter to be voted upon, you have one vote for each unit you own as of the Record Date.

Q: What is the quorum requirement?

A: A quorum of unitholders is necessary to hold a valid meeting. A quorum will be present if unitholders holding at least a majority of all of the Company s outstanding units entitled to vote are present at the Special Meeting in person or represented by proxy. On the Record Date, there were approximately 55,345,716 units outstanding and entitled to vote at the Special Meeting. Thus, the holders of 27,672,859 units must be present in person or represented by proxy at the Special Meeting to have a quorum. Your units will be counted towards the quorum only if you submit a valid legal proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Special Meeting. Abstentions will be counted towards the quorum requirement. In case a quorum is not present, the vote of the holders of a majority of the units present at the Special Meeting in person or represented by proxy may adjourn the Special Meeting (without notice other than an announcement at the time of the adjournment of the date, time and place of the adjourned meeting) to another date, but no other business may be transacted at the Special Meeting.

Q: What are broker non-votes ?

A: Generally, if units are held by a broker the beneficial owner of the units is entitled to give voting instructions to the broker holding the units. If the beneficial owner does not provide voting instructions then, under the rules of the New York Stock Exchange, the broker who holds units has the discretionary authority to vote on routine proposals. However, brokers are precluded from exercising discretionary authority to vote with respect to non-routine proposals. If the agenda items at a particular meeting consist of both routine proposals and non-routine proposals brokers will exercise discretionary authority to vote with respect to routine proposals and will be precluded from exercising discretionary authority to vote with respect to non-routine proposals, referred to generally as broker non-votes. None of the items on the agenda at the Special Meeting are considered routine under the rules and interpretations of the New York Stock Exchange. As a result, absent specific voting instructions from the beneficial owner of units, brokers are not empowered to vote units with respect to either of the Proposals and, therefore, will not submit a proxy card to the Company on your behalf (*i.e.*, there will be no broker non-votes at the Special Meeting). As a result, if you are a beneficial owner of units held in street name and you do not provide voting instructions to your broker, your shares will not be counted as present for purposes of determining a quorum and will have the same effect as a vote against each of Proposal 1 and Proposal 2.

Q: What if any matter beyond those in this proxy statement is properly brought before the Special Meeting?

A: The Board knows of no other matters that will be presented for consideration at the Special Meeting. If you return the **WHITE** proxy card you will confer discretionary authority to the Company s designees on all other matters that may properly come before the Special Meeting for a vote and that were unknown to the Company a reasonable time before the solicitation.

Q: How can I find out the results of the voting at the Special Meeting?

A: The Company will tabulate and announce the preliminary voting results at the Special Meeting. Final voting results will be tabulated by the Company and will be published in a Current Report on Form 8-K as soon as practicable after the tabulation. We expect to file the Current Report on Form 8-K with the Securities and Exchange Commission within four business days of the Special Meeting.

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Q: Who is paying for this proxy solicitation?

A: The Company will pay for the cost of this proxy solicitation by the Company. In addition to these proxy materials, the Board of Directors, employees of the General Partner and Morrow & Co., LLC (Morrow) may also solicit proxies in person or by telephone. The Board of Directors and employees of the General Partner will not be paid any additional compensation for soliciting proxies, but Morrow will be paid approximately $150,000 plus out-of-pocket expenses if it solicits proxies. We will also reimburse brokers, banks and other nominees for the cost of forwarding proxy materials to beneficial owners. The Company will not pay or reimburse the costs incurred by Q Investments in its solicitation of proxies for use at the Special Meeting.

Q: Whom should I call if I have questions about the solicitation?

A: Unitholders should call:

Morrow & Co., LLC

470 West Avenue

Stamford, CT 06902

Please call: (203) 658-9400 or

Call toll free at: (800) 206-5879

PARTICIPANTS IN THE PROXY SOLICITATION

The Company has sent you this proxy and will pay the cost of soliciting the proxies from unitholders on behalf of the Company. In addition to solicitation by mail, arrangements will be made with brokers, banks and other nominees to send the proxy materials to beneficial owners of the units, and the Company, upon request, will reimburse the brokerage houses and custodians for their reasonable expenses in so doing on the Company s behalf. The Company has retained Morrow & Co., LLC to aid in the solicitation of proxies and to verify certain records related to the solicitation. Morrow & Co., LLC will receive a fee of approximately $150,000 as compensation for its services plus reimbursement for its related out-of-pocket expenses. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone or facsimile. These persons will not be paid additional remuneration for their efforts. The Company will not pay or reimburse the costs incurred by Q Investments in its solicitation of proxies for use at the Special Meeting.

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BACKGROUND OF THE PROXY SOLICITATION

The following describes certain events and legal proceedings involving the General Partner, the Company and/or Q Investments related to the right of unitholders to nominate directors for election to the Board of Directors:

On April 28, 2010, following previous conversations with the Company about the future of the Company, including the composition of the Board, Q Investments sent a letter to the Company stating that Q Investments had engaged an executive search firm to identify two independent and qualified candidates to serve on the Board and that Q Investments was prepared to nominate and solicit proxies in support of such candidates at the Company s 2010 annual meeting.

On April 29, 2010, Q Investments commenced an action in the Delaware Court of Chancery against the General Partner and the Company (the April 2010 Action) related to the right of unitholders to nominate directors for election to the Board of Directors. The complaint, captioned *Q Funding III, L.P. and Q4 Funding, L.P. vs. Cedar Fair Management, Inc. and Cedar Fair, L.P.*, C.A. No. 5444-VCS, alleged, among other things, that the General Partner breached the terms of the Partnership Agreement by taking the position that unitholders do not have the right to nominate candidates, or to solicit proxies in support of new candidates, for election to the Board of Directors. Q Investments sought, among other things, (i) a declaratory judgment that under the terms of the Partnership Agreement, all unitholders, including Q Investments, have the right to nominate and solicit proxies in support of candidates for election as directors to the Board of Directors, and (ii) injunctive relief precluding the Company or its representatives from taking any action to interfere with unitholders rights to nominate and solicit proxies in support of candidates for election as directors to the Board of Directors at our 2010 annual meeting of unitholders and our subsequent annual meetings of unitholders.

On May 4, 2010, the Company and Q Investments agreed to a settlement pursuant to which the General Partner agreed to, among other things: (i) increase the size of the Board of Directors from seven to nine directors immediately following our 2010 annual meeting of unitholders; (ii) appoint two independent nominees to fill the newly created vacancies, with the assistance of an executive search firm and input from Q Investments; and (iii) hold our 2011 annual meeting of unitholders no later than June 30, 2011. On May 5, 2010, Q Investments voluntarily dismissed the April 2010 Action without prejudice.

On October 14, 2010, merely five months after the Company and Q Investments settled the April 2010 Action, Q Investments commenced another action in the Delaware Court of Chancery against the General Partner and the Company that was virtually identical to the April 2010 Action. The complaint, captioned *Q Funding III, L.P. and Q4 Funding, L.P. vs. Cedar Fair Management, Inc. and Cedar Fair, L.P.*, C.A. No. 5904-VCS, (the Nomination Rights Action), seeks, among other things, a declaratory judgment and injunctive relief on the issue of unitholder nomination rights in advance of our 2011 annual meeting of unitholders. The Company filed an answer denying the allegations as set forth in the complaint and the Company and Q Investments thereafter engaged in discovery. An evidentiary hearing was scheduled for April 21, 2011, but has since been postponed.

On February 3, 2011, Q Investments filed with the Securities and Exchange Commission a preliminary proxy statement stating that it was in the process of submitting to the Company and the General Partner a request for a Special Meeting. According to the preliminary proxy statement, at the Special Meeting, Q Investments intended to submit a proposal to amend solely the Partnership Agreement to give unitholders the explicit right to nominate directors for election to the Board of Directors (the Q Investments Proposal).

On March 2, 2011, Q Investments submitted to the Company and the General Partner a request for a Special Meeting for the purpose of considering the Q Investments Proposal.

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On March 15, 2011, legal counsel to the Company and the General Partner, on behalf of the Company and the General Partner, sent a letter to legal counsel to Q Investments stating that the Company would comply with the applicable provisions of the Partnership Agreement and convene the Special Meeting requested by Q Investments. However, the Company also stated that, due to the provisions of the Partnership Agreement and the Regulations, unitholders may not be granted the right to nominate directors for election to the Board of Directors through an amendment of solely the Partnership Agreement (such as the Q Investments Proposal).

On March 17, 2011, notwithstanding the fact that the Company had advised Q Investments that the Q Investments Proposal would be ineffective to accomplish the goal of giving unitholders the right to nominate directors for election to the Board of Directors due to the provisions of the Partnership Agreement and the Regulations, Q Investments commenced a separate action in the Delaware Court of Chancery against the General Partner and the Company. The complaint, captioned *Q Funding III, L.P. and Q4 Funding, L.P. vs. Cedar Fair Management, Inc. and Cedar Fair, L.P.* , C.A. No. 6289-VCS (the Special Meeting Action), seeks, among other things, declaratory and injunctive relief directing the Company to schedule the Special Meeting to consider the Q Investments Proposal. On March 28, 2011, Q Investments filed a Motion to Expedite Proceedings.

On March 29, 2011, the Company filed with the Securities and Exchange Commission a preliminary proxy statement with respect to the Special Meeting requested by Q Investments. The Q Investments Proposal was included on the agenda for the Special Meeting. However, because the Q Investments Proposal was solely an amendment to the Partnership Agreement and, therefore, due to the provisions of the Partnership Agreement and the Regulations would be ineffective to accomplish the goal of giving unitholders the right to nominate directors for election to the Board of Directors, the Company also included Proposal 1 and Proposal 2 on the agenda for the Special Meeting, which proposals include the necessary amendment to the Regulations. The Board of Directors voluntarily included Proposal 1 and Proposal 2 on the agenda for the Special Meeting for the purpose of providing unitholders with an opportunity to vote on proposals that are compliant with the governance structure of the Company and the General Partner and that, if approved, would effectively establish the right of unitholders to nominate directors for election to the Board of Directors.

On April 8, 2011, Q Investments submitted to the Company and the General Partner a new request for a Special Meeting for the purpose of considering a proposal that is identical to Proposal 2.

Also on April 8, 2011, Q Investments filed with the Securities and Exchange Commission a revised preliminary proxy statement in which Q Investments stated that (i) Q Investments was willing to withdraw the Q Investments Proposal from the agenda for the Special Meeting (thereby leaving Proposal 1 and Proposal 2 as the only items on the agenda for the Special Meeting) and (ii) if the Company does not revise its proxy statement and proxy card to withdraw the Q Investments Proposal from the agenda for the Special Meeting, Q Investments would call a second Special Meeting to allow unitholders to vote solely on Proposal 1 and Proposal 2.

On April 12, 2011, the Company filed with the Securities and Exchange Commission a revised preliminary proxy statement that removed the Q Investments Proposal from the agenda for the Special Meeting and retained Proposal 1 and Proposal 2 as the only items on the agenda for the Special Meeting.

On April 13, 2011, Q Investments filed with the Securities and Exchange Commission a revised preliminary proxy statement soliciting support for Proposal 1 and Proposal 2. Also on April 13, 2011, the Company filed a motion to dismiss the Special Meeting Action.

On April 20, 2011, Q Investments filed a Motion For Leave To Amend And Supplement Complaint in the Nomination Rights Action.

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PROPOSAL 1 AND PROPOSAL 2 THE PROPOSALS

Proposal 1

The following proposal will be voted upon at the Special Meeting:

To amend and restate Section 14 of the Regulations as follows:

Section 14. Nominations and Election of Directors.

Nominations of persons for election as directors of Cedar Fair Management, Inc. may be made at a meeting of the Limited Partners by any nominating committee, any person appointed by the directors ***or, if and to the extent expressly provided in the Partnership Agreement, any Limited Partner*** . The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the provisions of this Section 14, and if he should so determine, the defective nomination shall be disregarded. The directors will be elected by the vote of the Limited Partners as set forth in Section 11. (emphasis added)

Proposal 2

The following proposal will be voted upon at the Special Meeting:

To amend the Partnership Agreement by the addition of a new subsection at the end of Section 6.2 thereof that would read as follows:

(d) Nomination of Directors by Limited Partners at Annual Meetings

(i) **Nominations**. Any Limited Partner may nominate one or more persons for election or reelection to the Board at an annual meeting of Limited Partners in accordance with this Section 6.2(d).

(ii) **Eligibility of Limited Partner Nominations**. The requirements set forth herein shall be the exclusive means for a Limited Partner to make any nomination of a person or persons for election to the Board. No person nominated by a Limited Partner shall be eligible to serve as a director of the General Partner unless nominated at an annual meeting of Limited Partners in accordance with the procedures set forth herein. Notwithstanding the foregoing, a Limited Partner shall also comply with all applicable requirements of the Securities Exchange Act of 1934, and the rules and regulations thereunder with respect to any such nominations; provided, however, that any references in this Agreement to the Securities Exchange Act of 1934 or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations pursuant to this Section 6.2(d). The Chairman of the General Partner shall have the sole power to determine whether or not a nomination was made in accordance with the procedures set forth herein. Neither the Partnership nor the General Partner shall be required to recommend for election as a director or include in the Partnership s proxy statement any person or persons nominated by a Limited Partner in accordance with the procedures set forth herein.

(iii) **Timeliness of Notice**.

(a) Nominations of persons for election to the Board at the Partnership s annual meeting of Limited Partners may be made by any Limited Partner who is a Limited Partner of record at the time of giving of notice provided for herein, who shall be entitled to vote for the election of directors at the Partnership s annual meeting of Limited Partners, who is a Limited Partner

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at the time of the applicable annual meeting of Limited Partners and who complies with the notice procedures set forth herein. Such nominations by Limited Partners shall be made pursuant to timely notice in writing to the secretary of the Partnership. To be timely, a Limited Partner s notice shall be delivered to or mailed and received at the principal executive offices of the Partnership not less than sixty (60) days nor more than ninety (90) days prior to the first anniversary of the preceding year s annual meeting of Limited Partners; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to such anniversary date or delayed more than sixty (60) days after such anniversary date then to be timely such notice must be received by the Partnership no later than the later of seventy (70) days prior to the date of the meeting or the tenth (10th) day following the day on which public announcement of the date of the meeting was made. Notwithstanding the foregoing, to be timely a Limited Partner s notice with respect to the 2011 annual meeting must be delivered to or mailed and received at the principal executive offices of the Partnership not less than thirty (30) days prior to the 2011 annual meeting. In no event shall any adjournment or postponement of an annual meeting of Limited Partners, or the public announcement thereof, commence a new time period for the giving of a Limited Partner s notice as described above.

(b) In addition, to be timely, a Limited Partner s notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the annual meeting of Limited Partners and as of the date that is ten (10) days prior to such meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to or mailed and received by the secretary of the Partnership at the principal executive offices of the Partnership not later than five (5) days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) days prior to the date for such meeting, any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) days prior to the meeting or any adjournment or postponement thereof.

(iv) **Information Required in Notice**. In order to be effective, a Limited Partner s notice to the secretary of the Partnership shall set forth:

a. As to each person whom the Limited Partner proposes to nominate for election or reelection as a director:

the name, age, business address and residence of such nominee;

the principal occupation or employment of such nominee;

the class and approximate number of units of the Partnership which are beneficially owned by such nominee on the date of such Limited Partner s notice;

a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Limited Partner and any Limited Partner Associated Person (as defined below), on the one hand, and such nominee, and his or her respective affiliates and associates, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Limited Partner making the nomination, or any Limited Partner Associated Person, were the registrant for purposes of such rule and the nominee were a director or executive officer of such registrant; and

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all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in a contested election, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including, without limitation, such person s written consent to being named in the proxy statement as a nominee and to serving as a director if elected).

b. As to the Limited Partner giving the notice:

a representation that the Limited Partner (a) is a holder of record of units of the Partnership entitled to vote at such meeting, including the class and number of units of such unit that are owned beneficially and of record by such Limited Partner, and (b) intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

the name and address, as they appear on the Partnership s books, of such Limited Partner and any Limited Partner Associated Person known by such Limited Partner to be supporting such nominee(s);

any derivative positions with respect to securities of the Partnership (including, without limitation, any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion right or a settlement payment or mechanism at a price related to any class of units of the Partnership or with a value derived in whole or in part from the value of any class of units of the Partnership) held or beneficially held by the Limited Partner and any Limited Partner Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting power and/or economic benefit and risks of, such Limited Partner or any Limited Partner Associated Person with respect to the Partnership s units;

any proxy, contract, arrangement, understanding, or relationship pursuant to which such Limited Partner or any Limited Partner Associated Person has a right to vote any class of units of the Partnership;

an affirmative statement of such Limited Partner s intent to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the Partnership s voting units to elect such nominee or nominees or a statement that the Limited Partner does not intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the Partnership s voting units to elect such nominee or nominees; and

all other information relating to such Limited Partner and any Limited Partner Associated Person that is required to be disclosed in solicitations of proxies for election of directors in a contested election, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934.

(v) **Additional Information**. The General Partner may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the General Partner or that could be material to a reasonable Limited Partner s understanding of the independence, or lack thereof, of such nominee.

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(vi) **Definitions**. Limited Partner Associated Person of any Limited Partner means (a) any person controlling, directly or indirectly, or acting in concert with, such Limited Partner, (b) any beneficial owner of limited partnership units of the Partnership owned of record or beneficially by such Limited Partner and (c) any person controlling, controlled by or under common control with such Limited Partner Associated Person.

Statement of the Board of Directors Regarding Proposal 1 and Proposal 2

Our Board of Directors understands that unitholders may desire to have the right to nominate directors for election to the Board of Directors. However, neither the Regulations nor the Partnership Agreement currently permits unitholders to nominate directors for election to the Board of Directors. Given the governance structure of the General Partner and the Company, the Regulations must be amended in order to give unitholders the right to nominate directors for election to the Board of Directors. Therefore, two related proposals are being proposed that, if approved, would give unitholders the right to nominate directors for election to the Board of Directors. Specifically, if approved, (i) Proposal 1 will amend the Regulations to permit the Partnership Agreement to include a provision giving unitholders the right to nominate directors for election to the Board of Directors and (ii) Proposal 2 will amend our Partnership Agreement to establish certain procedures and information requirements pursuant to which unitholders can nominate directors for election to the Board of Directors. Unitholders should note that they will not have the right to nominate directors for election to the Board of Directors unless both Proposal 1 and Proposal 2 are approved by unitholders.

Proposal 2, if approved, would establish in the Partnership Agreement certain procedures and information requirements pursuant to which unitholders can exercise the right to nominate directors for election to the Board of Directors. For example, Proposal 2 establishes a notice period prior to each annual meeting of unitholders during which a unitholder must inform the Company of his or her intent to nominate one or more directors for election to the Board of Directors and requires a unitholder who would like to nominate one or more directors for election to the Board of Directors to provide certain information about such unitholder and such nominee or nominees. These procedures and information requirements would require the unitholders to exercise the right to nominate directors for election to the Board of Directors in an orderly, organized and uniform manner. Specifically, these procedures and information requirements (i) allow our Board to determine that a unitholder-nominated director candidate is qualified to be elected, (ii) allow our Board to evaluate and make informed recommendations with respect to such candidate, (iii) ensure that the nominating person is actually a unitholder of the Company and (iv) ensure that unitholders are able to make a fully informed decision with respect to such candidate.

The Board of Directors makes no recommendation with respect to Proposal 1 and Proposal 2. The Proposals are being considered for the purpose of providing unitholders with an opportunity to vote on proposals that are compliant with the governance structure of the Company and the General Partner and that, if approved, would effectively establish the right of unitholders to nominate directors for election to the Board of Directors.

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when and how to make anti-dilution adjustments to the index stock prices; and the stated maturity date. See Specific Terms of Your Notes Anti-dilution Adjustments below. The exercise of this discretion by GS&Co. could adversely affect the value of your notes and may present GS&Co. with a conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days written notice to us.

The Calculation Agent Can Postpone the Determination Date If a Market Disruption Event or a Non-Trading Day Occurs or is Continuing

If the calculation agent determines that, on a date that would otherwise be the determination date, a market disruption event has occurred or is continuing with respect to any index stock or that day is not a trading day with respect to any index stock, the determination date will be postponed as provided under Specific Terms of Your Notes Determination Date . In no case, however, will the determination date be postponed to a date later than the originally scheduled stated maturity date, or if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. Moreover, if the determination date is postponed to the last possible day, but the market disruption event has not ceased by that day or that day is not a trading day, that day will nevertheless be the determination date for the stated maturity date. In such a case, the calculation agent will determine the applicable final index stock prices for the determination date based on the procedures described under Specific Terms of Your Notes Consequences of a Market Disruption Event or a Non-Trading Day below.

There is No Affiliation Between the Index Stock Issuers and Us

Goldman Sachs is not affiliated with the index stock issuers. As discussed above, however, we or our affiliates may currently or from time to time in the future engage in business with the index stock issuers. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any due diligence investigation or inquiry with respect to the index stock issuers. You, as an investor in your note, should make your own investigation into the index stock issuers.

The index stock issuers are not involved in this offering of your notes in any way and do not have any obligation of any sort with respect to your notes. Thus, the index stock issuers do not have any obligation to take your interests into consideration for any reason, including in taking or not taking any corporate actions that might affect the value of your notes.

You Have Limited Anti-Dilution Protection

GS&Co., as calculation agent for your note, will adjust the index stock prices for stock splits, reverse stock splits, stock dividends, extraordinary dividends, reorganization events, and other events that affect the index stock issuers , or any distribution property issuers , capital structure, but only in the situations we describe in Specific Terms of Your Notes Anti-dilution Adjustments below. The calculation agent will not be required to make an adjustment for every corporate event that may affect an index stock. For example, the calculation agent will not adjust the index stock prices for events such as an offering of the index stocks for cash by the index stock issuers, a tender or exchange offer for the index stocks at a premium to their then-current market prices by the index stock issuers or a tender or exchange offer for less than all the outstanding shares of the index stocks by a third party. In addition, the calculation agent will not adjust the reference amount for regular cash dividends. Furthermore, the calculation agent will determine in its sole discretion whether to make adjustments with respect to corporate or other events as described under Specific Terms of Your Notes Anti-dilution Adjustments Reorganization Events below. Those events or other actions by the index stock issuers or a third party may nevertheless adversely affect the market price of one share of the index stocks and, therefore, adversely affect the market value of your notes. The index stock issuers or a third party could make an offering or a tender or exchange offer, or the index stock issuers could take any other action, that adversely affects the market prices of the index stocks and the market value of your note but does not result in an anti-dilution adjustment for your benefit.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this prospectus supplement. The issue price of the notes in the subsequent sale may differ

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substantially (higher or lower) from the issue price you paid as provided on the cover of this prospectus supplement.

Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call ERISA , or the Internal Revenue Code of 1986, as amended, including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the offered notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the offered notes could become a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the offered notes. This is discussed in more detail under Employee Retirement Income Security Act below.

The Tax Consequences of an Investment in Your Notes Are Uncertain

The tax consequences of an investment in your notes are uncertain, both as to the timing and character of any inclusion in income in respect of your notes.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the tax treatment of an instrument such as your notes, and any such guidance could adversely affect the value and the tax treatment of your notes. Among other things, the Internal Revenue Service may decide to require the holders to accrue ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes. We describe these developments in more detail under Supplemental Discussion of U.S. Federal Income Tax Consequences United States Holders Possible Change in Law below. You should consult your tax advisor about this matter. Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described under Supplemental Discussion of U.S. Federal Income Tax Consequences on page S-34 below unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. Please also consult your tax advisor concerning the U.S. federal income tax and any other applicable tax consequences to you of owning your notes in your particular circumstances.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities

Please see the discussion under United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes.

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SPECIFIC TERMS OF YOUR NOTES

We refer to the notes we are offering by this prospectus supplement as the offered notes or the notes . Please note that in this prospectus supplement, references to GS Finance Corp. , we , our and us mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc. , our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, and references to the accompanying prospectus supplement mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. Please note that in this section entitled Specific Terms of Your Notes , references to holders mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to owners of beneficial interests in the accompanying prospectus, under Legal Ownership and Book-Entry Issuance .

The offered notes are part of a series of debt securities, entitled Medium-Term Notes, Series E , that we may issue under the indenture from time to time as described in the accompanying prospectus supplement and accompanying prospectus. The offered notes are also indexed debt securities , as defined in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the offered notes, including your notes; terms that apply generally to all Series E medium-term notes are described in Description of Notes We May Offer in the accompanying prospectus supplement. The terms described here supplement those described in the accompanying prospectus supplement and the accompanying prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

In addition to those terms described under Summary Information in this prospectus supplement, the following terms will apply to your notes:

No interest: we will not pay interest on your notes

Specified currency:

- U.S. dollars ($)

Form of note:

- global form only: yes, at DTC

- non-global form available: no

Denominations: each note registered in the name of a holder must have a face amount of $1,000 or an integral multiple of $1,000 in excess thereof

Defeasance applies as follows:

- full defeasance: no

- covenant defeasance: no

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Other terms:

- the default amount will be payable on any acceleration of the maturity of your notes as described under Special Calculation Provisions below

- anti-dilution provisions will apply to your notes; see Anti-dilution Adjustments below

- a business day for your notes may not be the same as a business day for certain of our other Series E medium-term notes, as described under Special Calculation Provisions below

- a trading day for your notes will be as described under Special Calculation Provisions below

Please note that the information about the settlement or trade dates, issue price, discounts or commissions and net proceeds to GS Finance Corp. on the front cover page or elsewhere in this prospectus supplement relates only to the initial issuance and sale of the offered notes. We may decide to sell additional notes on one or more dates after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth on the front cover page or elsewhere in this prospectus supplement. If you have purchased your notes in a market-making transaction after the initial issuance and sale of the offered notes, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

We describe the terms of your notes in more detail below.

Index Stock and Index Stock Issuer

In this prospectus supplement, when we refer to an index stock, we mean the common stock of Activision Blizzard, Inc., a subordinate voting share of Canada Goose Holdings Inc. or the common stock of Whirlpool Corporation, except as described under Anti-dilution Adjustments Reorganization Events and Anti-dilution Adjustments Distribution Property below. When we refer to an index stock issuer, we mean Activision Blizzard, Inc., Canada Goose Holdings Inc. or Whirlpool Corporation or any successor thereto.

Payment of Principal on Stated Maturity Date

For each $1,000 face amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

- if the final index stock price of each index stock is *greater than* or *equal to* its threshold price, the maximum settlement amount; or

- if the final index stock price of any index stock is *less than* its threshold price, the *sum* of (i) $1,000 *plus* (ii) the product of (a) the lesser performing index stock return *times* (b) $1,000. **You will receive less than 65% of the face amount of your note.**

The initial stock price is $77.63 with respect to the common stock of Activision Blizzard, Inc., $54.29 with respect to a subordinate voting share of Canada Goose Holdings Inc. and $112.56 with respect to the common stock of Whirlpool Corporation. The initial index stock price of each index stock represents the closing price of one share of such index stock on October 8, 2018.

With respect to each index stock, the threshold price is 65% of its initial index stock price. The maximum settlement amount is $1,260.

With respect to each index stock, the index stock return is calculated by *subtracting* the initial index stock price from the final index stock price and *dividing* the result by the initial index stock price, with the quotient expressed as a percentage.

The lesser performing index stock is the index stock with the lowest index stock return. The lesser performing index stock return is the index stock return of the lesser performing index stock.

With respect to each index stock, the calculation agent will determine the final index stock price, which will be the closing price of one share of such index stock on the exchange on which it has its primary U.S. listing on the determination date, subject to any anti-dilution adjustments. The calculation agent will have discretion to adjust the closing price of the index stock on the determination date or to determine it in a

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different manner as described under Consequences of a Market Disruption Event or a Non-Trading Day and Anti-Dilution Adjustments below.

Stated Maturity Date

The stated maturity date is expected to be October 18, 2019, unless that day is not a business day, in which case the stated maturity date will be the next following business day. If the determination date is postponed as described under Determination Date below, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date.

Determination Date

The determination date is expected to be October 10, 2019, unless the calculation agent determines that, with respect to any index stock, a market disruption event occurs or is continuing on that day or that day is not otherwise a trading day. In the event the originally scheduled determination date is a non-trading day with respect to any index stock, the determination date will be the first day thereafter that is a trading day for all index stocks (the first qualified trading day) provided that no market disruption event occurs or is continuing with respect to an index stock on that day. If a market disruption event with respect to an index stock occurs or is continuing on the originally scheduled determination date or the first qualified trading day, the determination date will be the first following trading day on which the calculation agent determines that each index stock has had at least one trading day (from and including the originally scheduled determination date or the first qualified trading day, as applicable) on which no market disruption event has occurred or is continuing and the closing price of each index stock will be determined on or prior to the postponed determination date as set forth under Consequences of a Market Disruption Event or a Non-Trading Day below. (In such case, the determination date may differ from the date on which the price of an index stock is determined for the purpose of the calculations to be performed on the determination date.) In no event, however, will the determination date be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date, either due to the occurrence of serial non-trading days or due to the occurrence of one or more market disruption events. On such last possible determination date, if a market disruption event occurs or is continuing with respect to an index stock that has not yet had such a trading day on which no market disruption event has occurred or is continuing or if such last possible day is not a trading day with respect to such index stock, that day will nevertheless be the determination date.

Consequences of a Market Disruption Event or a Non-Trading Day

With respect to any index stock, if a market disruption event occurs or is continuing on a day that would otherwise be the determination date, or such day is not a trading day, then the determination date will be postponed as described under Determination Date above. If the determination date is postponed to the last possible date due to the occurrence of serial non-trading days, the price of each index stock will be the calculation agent s assessment of such price, in its sole discretion, on such last possible postponed determination date. If the determination date is postponed due to a market disruption event with respect to any index stock, the final index stock price with respect to the determination date will be calculated based on (i) for any index stock that is not affected by a market disruption event on the originally scheduled determination date or the first qualified

trading day thereafter (if applicable), the closing price of the index stock on that date, (ii) for any index stock that is affected by a market disruption event on the originally scheduled determination date or the first qualified trading day thereafter (if applicable), the closing price of the index stock on the first following trading day on which no market disruption event exists for such index stock and (iii) the calculation agent s assessment, in its sole discretion, of the price of any index stock on the last possible postponed determination date with respect to such index stock as to which a market disruption event continues through the last possible postponed determination date. As a result, this could result in the final index stock price on the determination date of each index stock being determined on different calendar dates. For the avoidance of doubt, once the closing price for an index stock is determined for the determination date, the occurrence of a later market disruption event or non-trading day will not alter such calculation.

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Anti-dilution Adjustments

The calculation agent will adjust the closing price of an index stock on the determination date only if an event described under one of the six subsections beginning with Stock Splits below occurs and only if the relevant event occurs during the period described under the applicable subsection. The adjustments described below do not cover all events that could affect the closing price of an index stock on the determination date, such as an issuer tender or exchange offer for such index stock at a premium to its market price or a tender or exchange offer made by a third party for less than all outstanding shares of such index stock. We describe the risks relating to dilution under Additional Risk Factors Specific to Your Notes You Have Limited Anti-dilution Protection above.

How Adjustments Will Be Made

In this prospectus supplement, we refer to anti-dilution adjustment of the closing price of an index stock on the determination date. With respect to an index stock, if an event requiring anti-dilution adjustment occurs, the calculation agent will make the adjustment by taking the following steps:

- ***Step One.*** The calculation agent will adjust the reference amount. This term refers to the amount of the index stock or other property that must be used to determine the closing price of the index stock on the determination date. For example, if no adjustment described under this subsection entitled Anti-dilution Adjustments is required at a time, the reference amount for that time will be one share of the index stock. In that case, the closing price of the index stock on the determination date will be the closing price of one share of the index stock on the determination date. We describe how the closing price will be determined under Special Calculation Provisions below.

If an adjustment described under this subsection entitled Anti-dilution Adjustments is required because one of the dilution events described in the first five subsections below these involve stock splits, reverse stock splits, stock dividends, other dividends and distributions and issuances of transferable rights and warrants occurs, then the adjusted reference amount at that time might instead be, for example, two shares of the index stock or a half share of the index stock, depending on the event. In that example, the closing price of the index stock on the determination date would be the price (determined as specified under Special Calculation Provisions Closing Price below) at the close of trading on the determination date of two shares of the index stock or a half share of the index stock, as applicable.

If an adjustment described under this subsection entitled Anti-dilution Adjustments is required at a time because one of the reorganization events described under Reorganization Events below these involve events in which cash, securities or other property is distributed in respect of the index stock occurs, then the reference amount at that time will be adjusted to be as follows, assuming there has been no prior or subsequent anti-dilution adjustment: the amount of each type of the property distributed in the reorganization event in respect of one share of the index stock, plus one share of the index stock if the index stock remains outstanding. In that event, the closing price of the index stock on the determination date would be the value of the adjusted reference amount at the close of trading on the determination date.

The manner in which the calculation agent adjusts the reference amount in step one will depend on the type of dilution event requiring adjustment. These events and the nature of the required adjustments are described in the six subsections that follow.

- ***Step Two.*** Having adjusted the reference amount in step one, the calculation agent will determine the closing price of the index stock on the determination date in the following manner.

If the adjusted reference amount at the applicable time consists entirely of shares of the index stock, the index stock price will be the closing price (determined as described under Special Calculation Provisions Closing Price below) of the adjusted reference amount on the applicable date.

On the other hand, if the adjusted reference amount at the applicable time includes any property other than shares of the index stock, the closing price of the index stock on the determination date will be the value of the adjusted reference amount as determined by the calculation agent in the manner described under Reorganization Events Adjustments for Reorganization Events below at the applicable time.

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- ***Step Three.*** Having determined the closing price of the index stock on the determination date in step two, the calculation agent will use such price to calculate the cash settlement amount.

If more than one event requiring adjustment as described in this subsection entitled Anti-dilution Adjustments occurs, the calculation agent will first adjust the reference amount as described in step one above for each event, sequentially, in the order in which the events occur, and on a cumulative basis. Thus, having adjusted the reference amount for the first event, the calculation agent will repeat step one for the second event, applying the required adjustment to the reference amount as already adjusted for the first event, and so on for each event. Having adjusted the reference amount for all events, the calculation agent will then take the remaining applicable steps in the process described above, determining the closing price of the index stock on the determination date using the reference amount as sequentially and cumulatively adjusted for all the relevant events. The calculation agent will make all required determinations and adjustments no later than the determination date.

The calculation agent will adjust the reference amount for each reorganization event described under Reorganization Events below. For any other dilution event described below, however, the calculation agent will not be required to adjust the reference amount unless the adjustment would result in a change of at least 0.1% in the index stock price that would apply without the adjustment. The closing price of the index stock on the determination date resulting from any adjustment will be rounded up or down, as appropriate, to the nearest ten-thousandth, with five hundred-thousandths being rounded upward e.g., 0.12344 will be rounded down to 0.1234 and 0.12345 will be rounded up to 0.1235.

If an event requiring anti-dilution adjustment occurs, the calculation agent will make the adjustment with a view to offsetting, to the extent practical, any change in the economic position of the holder, GS Finance Corp., as issuer, and The Goldman Sachs Group, Inc., as guarantor, relative to your notes, that results solely from that event. The calculation agent may, in its sole discretion, modify the anti-dilution adjustments as necessary to ensure an equitable result.

The calculation agent will make all determinations with respect to anti-dilution adjustments, including any determination as to whether an event requiring adjustment has occurred, as to the nature of the adjustment required and how it will be made or as to the value of any property distributed in a reorganization event, and will do so in its sole discretion. In the absence of manifest error, those determinations will be conclusive for all purposes and will be binding on you and us, without any liability on the part of the calculation agent. The calculation agent will provide information about the adjustments it makes upon written request by the holder.

In this prospectus supplement, when we say that the calculation agent will adjust the reference amount for one or more dilution events, we mean that the calculation agent will take all the applicable steps described above with respect to those events.

The following six subsections describe the dilution events for which the reference amount is to be adjusted. Each subsection describes the manner in which the calculation agent will adjust the reference amount the first step in the adjustment process described above for the relevant event.

Stock Splits

A stock split is an increase in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth less as a result of a stock split.

If an index stock is subject to a stock split, then the calculation agent will adjust the reference amount to equal the sum of the prior reference amount i.e., the reference amount before that adjustment plus the product of (1) the number of additional shares issued in the stock split with respect to one share of such index stock times (2) the prior reference amount. The reference amount will not be adjusted, however, unless the first day on which such index stock trades without the right to receive the stock split occurs after the trade date and on or before the determination date.

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Reverse Stock Splits

A reverse stock split is a decrease in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth more as a result of a reverse stock split.

If an index stock is subject to a reverse stock split, then once the reverse stock split becomes effective, the calculation agent will adjust the reference amount to equal the product of the prior reference amount *times* the quotient of (1) the number of additional shares of such index stock outstanding immediately after the reverse stock split becomes effective divided by (2) the number of shares of such index stock outstanding immediately before the reverse stock split becomes effective. The reference amount will not be adjusted, however, unless the reverse stock split becomes effective after the trade date and on or before the determination date.

Stock Dividends

In a stock dividend, a corporation issues additional shares of its stock to all holders of its outstanding shares of its stock in proportion to the shares they own. Each outstanding share will be worth less as a result of a stock dividend.

If an index stock is subject to a stock dividend, then the calculation agent will adjust the reference amount to equal the sum of the prior reference amount plus the product of (1) the number of additional shares issued in the stock dividend with respect to one share of such index stock times (2) the prior reference amount. The reference amount will not be adjusted, however, unless the ex-dividend date occurs after the trade date and on or before the determination date.

The ex-dividend date for any dividend or other distribution is the first day on which an index stock trades without the right to receive that dividend or other distribution.

Other Dividends and Distributions

The reference amount will not be adjusted to reflect dividends or other distributions paid with respect to an index stock, other than:

- stock dividends described above,

- issuances of transferable rights and warrants as described under Transferable Rights and Warrants below,

- distributions that are spin-off events described under Reorganization Events below, and

- extraordinary dividends described below.

A dividend or other distribution with respect to an index stock will be deemed to be an extraordinary dividend if its per share value exceeds that of the immediately preceding non-extraordinary dividend, if any, for such index stock by an amount equal to at least 10% of the closing price of such index stock on the first trading day before the ex-dividend date.

If an extraordinary dividend occurs with respect to an index stock, the calculation agent will adjust the reference amount to equal the product of (1) the prior reference amount times (2) a fraction, the numerator of which is the closing price of such index stock on the trading day immediately preceding the ex-dividend date and the denominator of which is the amount by which that closing price exceeds the extraordinary dividend amount. The reference amount will not be adjusted, however, unless the ex-dividend date occurs after the trade date and on or before the determination date.

The extraordinary dividend amount with respect to an extraordinary dividend for an index stock equals:

- for an extraordinary dividend that is paid in lieu of a regular quarterly dividend, the amount of the extraordinary dividend per share of such index stock minus the amount per share of the immediately preceding dividend, if any, that was not an extraordinary dividend for such index stock, or

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- for an extraordinary dividend that is not paid in lieu of a regular quarterly dividend, the amount per share of the extraordinary dividend.

To the extent an extraordinary dividend is not paid in cash, the value of the non-cash component will be determined by the calculation agent. A distribution on an index stock that is a stock dividend, an issuance of transferable rights or warrants or a spin-off event and also an extraordinary dividend will result in an adjustment to the reference amount only as described under Stock Dividends above, Transferable Rights and Warrants below or Reorganization Events below, as the case may be, and not as described here.

Transferable Rights and Warrants

With respect to an index stock, if the index stock issuer issues transferable rights or warrants to all holders of the index stock to subscribe for or purchase index stock at an exercise price per share that is less than the closing price of the index stock on the trading day immediately preceding the ex-dividend date for the issuance, then the reference amount will be adjusted by multiplying the prior reference amount by the following fraction:

- the numerator will be the number of shares of the index stock outstanding at the close of business on the day immediately preceding that ex-dividend date plus the number of additional shares of the index stock offered for subscription or purchase under those transferable rights or warrants, and

- the denominator will be the number of shares of the index stock outstanding at the close of business on the day immediately preceding that ex-dividend date plus the number of additional shares of the index stock that the aggregate offering price of the total number of shares of the index stock so offered for subscription or purchase would purchase at the closing price of the index stock on the trading day immediately preceding that ex-dividend date, with that number of additional shares being determined by multiplying the total number of shares so offered by the exercise price of those transferable rights or warrants and dividing the resulting product by the closing price on the trading day immediately preceding that ex-dividend date.

The reference amount will not be adjusted, however, unless the ex-dividend date described above occurs after the trade date and on or before the determination date.

Reorganization Events

With respect to an index stock, each of the following is a reorganization event:

- the index stock is reclassified or changed,

- the index stock issuer has been subject to a merger, consolidation, amalgamation, binding share exchange or other business combination and either is not the surviving entity or is the surviving entity but all the outstanding shares of the index stock are reclassified or changed,

- the index stock has been subject to a takeover, tender offer, exchange offer, solicitation proposal or other event by another entity or person to purchase or otherwise obtain all of the outstanding shares of the index stock, such that all of the outstanding shares of the index stock (other than shares of the index stock owned or controlled by such other entity or person) are transferred, or irrevocably committed to be transferred, to another entity or person,

- the index stock issuer or any subsidiary of the index stock issuer has been subject to a merger, consolidation, amalgamation or binding share exchange in which the index stock issuer is the surviving entity and all the outstanding shares of the index stock (other than shares of the index stock owned or controlled by such other entity or person) immediately prior to such event collectively represent less than 50% of the outstanding shares of the index stock immediately following such event,

- the index stock issuer sells or otherwise transfers its property and assets as an entirety or substantially as an entirety to another entity,

- the index stock issuer effects a spin-off that is, issues to all holders of the index stock equity securities of another issuer, other than as part of an event described in the four bullet points above,

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- the index stock issuer is liquidated, dissolved or wound up or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, or

- any other corporate or similar events that affect or could potentially affect market prices of, or shareholders rights in, the index stock or distribution property, which will be substantiated by an official characterization by either the Options Clearing Corporation with respect to options contracts on the index stock or by the primary securities exchange on which the index stock or listed options on the index stock are traded, and will ultimately be determined by the calculation agent in its sole discretion.

Adjustments for Reorganization Events

If a reorganization event occurs, then the calculation agent will adjust the reference amount so that it consists of the amount of each type of distribution property distributed in respect of one share of an index stock or in respect of whatever the prior reference amount may be in the reorganization event, taken together. We define the term distribution property below. For purposes of the three-step adjustment process described under How Adjustments Will Be Made above, the distribution property so distributed will be the adjusted reference amount described in step one, the value of that property at the close of trading hours for an index stock on the applicable date will be the index stock price described in step two, and the calculation agent will determine the cash settlement amount as described in step three. As described under How Adjustments Will Be Made above, the calculation agent may, in its sole discretion, modify the adjustments described in this paragraph as necessary to ensure an equitable result.

The calculation agent will determine the value of each type of distribution property in its sole discretion. For any distribution property consisting of a security, the calculation agent will use the closing price (calculated according to the same methodology as specified in this prospectus supplement, without any anti-dilution adjustments) of one share of such security on the applicable date. The calculation agent may value other types of property in any manner it determines, in its sole discretion, to be appropriate. If a holder of an index stock may elect to receive different types or combinations of types of distribution property in the reorganization event, the distribution property will consist of the types and amounts of each type distributed to a holder that makes no election, as determined by the calculation agent in its sole discretion. As described under How Adjustments Will Be Made above, the calculation agent may, in its sole discretion, modify the adjustments described in this paragraph as necessary to ensure an equitable result.

If a reorganization event occurs and the calculation agent adjusts the reference amount to consist of the distribution property distributed in the reorganization event, as described above, the calculation agent will make any further anti-dilution adjustments for later events that affect the distribution property, or any component of the distribution property, comprising the new reference amount. The calculation agent will do so to the same extent that it would make adjustments if an index stock were outstanding and were affected by the same kinds of events. If a subsequent reorganization event affects only a particular component of the reference amount, the required adjustment will be made with respect to that component, as if it alone were the reference amount.

For example, if an index stock issuer merges into another company and each share of such index stock is converted into the right to receive two common shares of the surviving company and a specified amount of cash, the reference amount will be adjusted to consist of two common shares of the surviving company and the specified amount of cash for each share of index stock (adjusted

proportionately for any partial share) comprising the reference amount before the adjustment. The calculation agent will adjust the common share component of the adjusted reference amount to reflect any later stock split or other event, including any later reorganization event, that affects the common shares of the surviving company, to the extent described in this subsection entitled Anti-dilution Adjustments as if the common shares of the surviving company were such index stock. In that event, the cash component will not be adjusted but will continue to be a component of the reference amount. Consequently, each component included in the reference amount will be adjusted on a sequential and cumulative basis for all relevant events requiring adjustment up to the relevant date.

The calculation agent will not make any adjustment for a reorganization event, however, unless the event becomes effective (or, if the event is a spin-off, unless the ex-dividend date for the spin-off occurs) after the trade date and on or before the determination date.

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Distribution Property

When we refer to distribution property, we mean the cash, securities and other property or assets distributed in a reorganization event in respect of one outstanding share of an index stock or in respect of whatever the applicable reference amount may then be if any anti-dilution adjustment has been made in respect of a prior event. In the case of a spin-off, or any other reorganization event after which an index stock remains outstanding, the distribution property also includes one share of such index stock or other applicable reference amount in respect of which the distribution is made.

If a reorganization event occurs, the distribution property distributed in the event will be substituted for an index stock as described above. Consequently, in this prospectus supplement, when we refer to an index stock, we mean any distribution property that is distributed in a reorganization event and comprises the adjusted reference amount. Similarly, when we refer to an index stock issuer, we mean any successor entity in a reorganization event.

Default Amount on Acceleration

If an event of default occurs and the maturity of your notes is accelerated, we will pay the default amount in respect of the principal of your notes at the maturity, instead of the amount payable on the stated maturity date as described earlier. We describe the default amount under Special Calculation Provisions below.

For the purpose of determining whether the holders of our Series E medium-term notes, which include your notes, are entitled to take any action under the indenture, we will treat the outstanding face amount of each offered note as the outstanding principal amount of that note. Although the terms of the offered notes differ from those of the other Series E medium-term notes, holders of specified percentages in principal amount of all Series E medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the Series E medium-term notes, including your notes, except with respect to certain Series E medium-term notes if the terms of such notes specify that the holders of specified percentages in the principal amount of all such notes must also consent to such action. This action may involve changing some of the terms that apply to the Series E medium-term notes, accelerating the maturity of the Series E medium-term notes after a default or waiving some of our obligations under the indenture. In addition, certain changes to the indenture and the notes that only affect certain debt securities may be made with the approval of holders of a majority of the principal amount of such affected debt securities. We discuss these matters in the accompanying prospectus under Description of Debt Securities We May Offer Default, Remedies and Waiver of Default and Modification of the Debt Indentures and Waiver of Covenants .

Manner of Payment

Any payment or delivery on your notes at maturity will be made to an account designated by the holder of your note and approved by us, or at the office of the trustee in New York City, but only when your notes are surrendered to the trustee at that office. We also may make any payment or delivery in accordance with the applicable procedures of the depositary.

Modified Business Day

As described in the accompanying prospectus, any payment on your notes that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, with the same effect as if paid on the original due date. For your notes, however, the term business day may have a different meaning than it does for other Series E medium-term notes. We discuss this term under Special Calculation Provisions below.

Role of Calculation Agent

The calculation agent in its sole discretion will make all determinations regarding each index stock, each index stock return, each final index stock price, the determination date, business days, trading days, adjustment of the stated maturity date, anti-dilution adjustments, market disruption events, the stated maturity date and the amount of cash payable on your notes at maturity. Absent manifest error, all

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determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent.

Please note that GS&Co., our affiliate, is currently serving as the calculation agent as of the original issue date of your note. We may change the calculation agent for your note at any time after the original issue date without notice, and GS&Co. may resign as calculation agent at any time upon 60 days written notice to us.

Special Calculation Provisions

Business Day

When we refer to a business day with respect to your notes, we mean a day that is a New York business day as described under Description of Debt Securities We May Offer Calculations of Interest on Debt Securities Business Days on page 21 in the accompanying prospectus.

Trading Day

When we refer to a trading day with respect to an index stock, we mean a day on which the principal securities market for such index stock is open for trading.

Closing Price

The closing price for any security on any day will equal the closing sale price or last reported sale price, regular way, for the security, on a per-share or other unit basis:

- on the principal national securities exchange on which that security is listed for trading on that day; or

- if that security is not listed on any national securities exchange on that day, on any other U.S. national market system that is the primary market for the trading of that security.

If that security is not listed or traded as described above, then the closing price for that security on any day will be the average, as determined by the calculation agent, of the bid prices for the security obtained from as many dealers in that security selected by the calculation agent as will make those bid prices available to the calculation agent. The number of dealers need not exceed three and may include the calculation agent or any of its or our affiliates.

The closing price is subject to adjustment as described under Anti-dilution Adjustments above.

Default Amount

The default amount for your notes on any day (except as provided in the last sentence under Default Quotation Period below) will be an amount, in the specified currency for the principal of your notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to your notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to your notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, *plus*

- the reasonable expenses, including reasonable attorneys fees, incurred by the holder of your notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for your notes, which we describe below, the holder and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest or, if there is only one, the only quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of

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the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period. The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or

- every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this paragraph.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the determination date, then the default amount will equal the principal amount of your notes.

Qualified Financial Institutions. For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue that is, or whose securities are, rated *either*:

- A-1 or higher by Standard & Poor s Ratings Services or any successor, or any other comparable rating then used by that rating agency, *or*

- P-1 or higher by Moody s Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

Market Disruption Event

Any of the following will be a market disruption event with respect to an index stock:

- a suspension, absence or material limitation of trading in the index stock on its primary market for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or

- a suspension, absence or material limitation of trading in option or futures contracts, if available, relating to the index stock, in the primary markets for those contracts for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or

- the index stock is not trading on what was the primary market for the index stock, as determined by the calculation agent in its sole discretion,

and, in the case of any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with the ability of GS Finance Corp. or any of its affiliates or a similarly situated party to unwind all or a material portion of a hedge that could be effected with respect to the offered notes. For more information about hedging by GS Finance Corp. and/or any of its affiliates, see Use of Proceeds and Hedging below.

The following events will not be market disruption events with respect to an index stock:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market, and

- a decision to permanently discontinue trading in the option or futures contracts relating to the index stock.

For this purpose, an absence of trading in the primary securities market on which an index stock, or on which option or futures contracts relating to an index stock, are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of

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trading in an index stock or in option or futures contracts relating to an index stock, if available, in the primary market for that stock or those contracts, by reason of:

- a price change exceeding limits set by that market, or
- an imbalance of orders relating to that index stock or those contracts, or
- a disparity in bid and ask quotes relating to that index stock or those contracts,

will constitute a suspension or material limitation of trading in that stock or those contracts in that market.

A market disruption event with respect to one index stock will not, by itself, constitute a market disruption even for the other unaffected index stock.

As is the case throughout this prospectus supplement, references to the index stock in this description of market disruption events include securities that are part of any adjusted reference amount, as determined by the calculation agent in its sole discretion.

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USE OF PROCEEDS

We intend to lend the net proceeds from the sale of the offered notes to The Goldman Sachs Group, Inc. or its affiliates. The Goldman Sachs Group, Inc. expects to use the proceeds from such loans for the purposes we describe in the accompanying prospectus under Use of Proceeds . We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the offered notes as described below.

HEDGING

In anticipation of the sale of the offered notes, we and/or our affiliates expect to enter into hedging transactions involving purchases of the index stocks and listed or over-the-counter options, futures or other instruments linked to the index stocks on or before the trade date. In addition, from time to time, we and/or our affiliates expect to enter into additional hedging transactions and to unwind those we have entered into, in connection with the offered notes and perhaps in connection with other notes we issue, some of which may have returns linked to index stocks. Consequently, with regard to your notes, from time to time, we and/or our affiliates:

- expect to acquire, or dispose of positions in listed or over-the-counter options, futures or other instruments linked to the index stocks,

- may take or dispose of positions in the securities of the index stock issuer itself,

- may take or dispose of positions in listed or over-the-counter options or other instruments based on indices designed to track the performance of the New York Stock Exchange or other components of the U.S. equity market, and/ or

- may take short positions in the index stock or other securities of the kind described above i.e., we and/or our affiliates may sell securities of the kind that we do not own or that we borrow for delivery to purchaser.

We and/or our affiliates may also acquire a long or short position in securities similar to your notes from time to time and may, in our or their sole discretion, hold or resell those securities.

In the future, we and/or our affiliates expect to close out hedge positions relating to the offered notes and perhaps relating to other notes with returns linked to the index stocks. We expect these steps to involve sales of instruments linked to the index stocks on or

shortly before the determination date. These steps may also involve sales and/or purchases of the index stocks, or listed or over-the-counter options, futures or other instruments linked to the index stock or indices designed to track the performance of the New York Stock Exchange or other components of the U.S. equity market.

The hedging activity discussed above may adversely affect the market value of your notes from time to time and the amount we will pay on your notes at maturity. See Additional Risk Factors Specific to Your Notes above for a discussion of these adverse effects.

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THE INDEX STOCKS

Where Information About the Index Stock Issuers Can Be Obtained

The index stocks are registered under the Securities Exchange Act of 1934. Companies with securities registered under the Exchange Act are required to file financial and other information specified by the U.S. Securities and Exchange Commission (SEC) periodically. Information filed with the SEC can be inspected and copied at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, information filed by the index stock issuer with the SEC electronically can be reviewed through a web site maintained by the SEC. The address of the SEC s web site is sec.gov.

Information about the index stock issuers may also be obtained from other sources such as press releases, newspaper articles and other publicly available documents.

We do not make any representation or warranty as to the accuracy or completeness of any materials referred to above, including any filings made by the index stock issuers with the SEC.

We Obtained the Information About the Index Stock Issuers From The Index Stock Issuers Public Filings

This prospectus supplement relates only to your note and does not relate to the index stocks or other securities of the index stock issuers. We have derived all information about the index stock issuers in this prospectus supplement from the publicly available information referred to in the preceding subsection. We have not participated in the preparation of any of those documents or made any due diligence investigation or inquiry with respect to the index stock issuers in connection with the offering of your note. Furthermore, we do not know whether all events occurring before the date of this prospectus supplement including events that would affect the accuracy or completeness of the publicly available documents referred to above and the trading price of shares of the index stocks have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning the index stock issuers could affect the value you will receive at maturity and, therefore, the market value of your note.

Neither we nor any of our affiliates make any representation to you as to the performance of the index stocks.

We or any of our affiliates may currently or from time to time engage in business with the index stock issuers, including making loans to or equity investments in the index stock issuers or providing advisory services to the index stock issuers, including merger and acquisition advisory services. In the course of that business, we or any of our affiliates may acquire non-public information about the index stock issuers and, in addition, one or more of our affiliates may publish research reports about the index stock issuers. As an investor in a note, you should undertake such independent investigation of the index stock issuers as in your judgment is appropriate to make an informed decision with respect to an investment in a note.

Historical Closing Prices of the Index Stocks

The closing prices of the index stocks have fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing prices of any index stocks during the period shown below is not an indication that such index stocks are more or less likely to increase or decrease at any time during the life of your notes.

You should not take the historical prices of an index stock as an indication of the future performance of an index stock. We cannot give you any assurance that the future performance of any index stock will result in your receiving an amount greater than the outstanding face amount of your notes on the stated maturity date.

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Neither we nor any of our affiliates make any representation to you as to the performance of the index stocks. Before investing in the notes, you should consult publicly available information to determine the relevant prices of the index stocks between the date of this prospectus supplement and the date of your purchase of the notes. The actual performance of an index stock over the life of the offered notes, as well as the cash settlement amount, may bear little relation to the historical prices shown below.

The graphs below, except where otherwise indicated, show the daily historical closing prices of each index stock from October 4, 2008 through October 4, 2018, adjusted for corporate events, if applicable. We obtained the closing prices in the graphs below from Bloomberg Financial Services, without independent verification.

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Activision Blizzard, Inc. is a developer and publisher of interactive entertainment content and services. Information filed with the SEC by the index stock issuer under the Exchange Act can be located by referencing its SEC file number 001-15839.

Historical Performance of Activision Blizzard, Inc.

Canada Goose Holdings Inc. designs, manufactures and distributes outerwear and accessories. Information filed with the SEC by the index stock issuer under the Exchange Act can be located by referencing its SEC file number 001-38027. Canada Goose Holdings Inc. s subordinate voting shares have been listed on the New York Stock Exchange since the completion of its initial public offering on March 21, 2017. The graph below shows the daily historical prices of Canada Goose Holdings Inc. from the completion of its initial public offering on March 21, 2017 through October 4, 2018.

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Historical Performance of Canada Goose Holdings Inc.

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Whirlpool Corporation is an appliance manufacturer. Information filed with the SEC by the index stock issuer under the Exchange Act can be located by referencing its SEC file number 001-03932.

Historical Performance of Whirlpool Corporation

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SUPPLEMENTAL DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus.

The following section is the opinion of Sidley Austin LLP, counsel to GS Finance Corp. and The Goldman Sachs Group, Inc. In addition, it is the opinion of Sidley Austin LLP that the characterization of the notes for U.S. federal income tax purposes that will be required under the terms of the notes, as discussed below, is a reasonable interpretation of current law.

This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank;
- a life insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- a tax exempt organization;
- a partnership;

- a person that owns a note as a hedge or that is hedged against interest rate risks;

- a person that owns a note as part of a straddle or conversion transaction for tax purposes; or

- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

Although this section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect, no statutory, judicial or administrative authority directly discusses how your notes should be treated for U.S. federal income tax purposes, and as a result, the U.S. federal income tax consequences of your investment in your notes are uncertain. Moreover, these laws are subject to change, possibly on a retroactive basis.

You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the notes, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

United States Holders

This section applies to you only if you are a United States holder that holds your notes as a capital asset for tax purposes. You are a United States holder if you are a beneficial owner of a note and you are:

- a citizen or resident of the United States;

- a domestic corporation;

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- an estate whose income is subject to U.S. federal income tax regardless of its source; or

- a trust if a United States court can exercise primary supervision over the trust s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

Tax Treatment. You will be obligated pursuant to the terms of the notes in the absence of a change in law, an administrative determination or a judicial ruling to the contrary to characterize your notes for all tax purposes as pre-paid derivative contracts in respect of the index stocks. Except as otherwise stated below, the discussion below assumes that the notes will be so treated.

Upon the sale, exchange or maturity of your notes, you should recognize capital gain or loss equal to the difference, if any, between the cash received at such time and your tax basis in your notes. Your tax basis in your notes will generally be equal to the amount that you paid for the notes. If you hold your notes for one year or less, the gain or loss generally will be short-term capital gain or loss. Short-term capital gains are generally subject to tax at the marginal tax rates applicable to ordinary income.

No statutory, judicial or administrative authority directly discusses how your notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the notes are uncertain and alternative characterizations are possible. Accordingly, we urge you to consult your tax advisor in determining the tax consequences of an investment in your notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

Alternative Treatments. There is no judicial or administrative authority discussing how your notes should be treated for U.S. federal income tax purposes. Therefore, the Internal Revenue Service might assert that a treatment other than that described above is more appropriate. For example, the Internal Revenue Service could treat your notes as a single debt instrument subject to special rules governing contingent payment debt instruments. Under those rules, the amount of interest you are required to take into account for each accrual period would be determined by constructing a projected payment schedule for the notes and applying rules similar to those for accruing original issue discount on a hypothetical noncontingent debt instrument with that projected payment schedule. This method is applied by first determining the comparable yield i.e., the yield at which we would issue a noncontingent fixed rate debt instrument with terms and conditions similar to your notes and then determining a payment schedule as of the issue date that would produce the comparable yield. These rules may have the effect of requiring you to include interest in income in respect of your notes prior to your receipt of cash attributable to that income.

If the rules governing contingent payment debt instruments apply, any gain you recognize upon the sale, exchange or maturity of your notes would be treated as ordinary interest income. Any loss you recognize at that time would be ordinary loss to the extent of interest you included as income in the current or previous taxable years in respect of your notes, and, thereafter, capital loss.

If the rules governing contingent payment debt instruments apply, special rules would apply to a person who purchases notes at a price other than the adjusted issue price as determined for tax purposes.

It is also possible that your notes could be treated in the manner described above, except that any gain or loss that you recognize at maturity would be treated as ordinary gain or loss. You should consult your tax advisor as to the tax consequences of such characterization and any possible alternative characterizations of your notes for U.S. federal income tax purposes.

It is possible that the Internal Revenue Service could seek to characterize your notes in a manner that results in tax consequences to you that are different from those described above. You should consult your tax advisor as to the tax consequences of any possible alternative characterizations of your notes for U.S. federal income tax purposes.

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Possible Change in Law

In 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes.

In addition, on December 7, 2007, the Internal Revenue Service released a notice stating that the Internal Revenue Service and the Treasury Department are actively considering issuing guidance regarding the proper U.S. federal income tax treatment of an instrument such as the offered notes including whether the holders should be required to accrue ordinary income on a current basis and whether gain or loss should be ordinary or capital. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The Internal Revenue Service and the Treasury Department are also considering other relevant issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special constructive ownership rules of Section 1260 of the Internal Revenue Code might be applied to such instruments. Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described above unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate.

It is impossible to predict what any such legislation or administrative or regulatory guidance might provide, and whether the effective date of any legislation or guidance will affect notes that were issued before the date that such legislation or guidance is issued. You are urged to consult your tax advisor as to the possibility that any legislative or administrative action may adversely affect the tax treatment of your notes.

United States Alien Holders

This section applies to you only if you are a United States alien holder. You are a United States alien holder if you are the beneficial owner of the notes and are, for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from the notes.

You will be subject to generally applicable information reporting and backup withholding requirements as discussed in the accompanying prospectus under United States Taxation Taxation of Debt Securities Backup Withholding and Information Reporting United States Alien Holders with respect to payments on your notes and, notwithstanding that we do not intend to treat the notes as debt for tax purposes, we intend to backup withhold on such payments with respect to your notes unless you comply with the requirements necessary to avoid backup withholding on debt instruments (in which case you will not be subject to such backup withholding) as set forth under United States Taxation Taxation of Debt Securities United States Alien Holders in the accompanying prospectus.

Furthermore, on December 7, 2007, the Internal Revenue Service released Notice 2008-2 soliciting comments from the public on various issues, including whether instruments such as your notes should be subject to withholding. It is therefore possible that rules will be issued in the future, possibly with retroactive effects, that would cause payments on your notes at maturity to be subject to withholding, even if you comply with certification requirements as to your foreign status.

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As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the notes, by reason of a change or clarification of the law, by regulation or otherwise, cause payments at maturity with respect to the notes to become subject to withholding tax, we will withhold tax at the applicable statutory rate and we will not make payments of any additional amounts. Prospective United States alien holders of the notes should consult their tax advisors in this regard.

In addition, the Treasury Department has issued regulations under which amounts paid or deemed paid on certain financial instruments (871(m) financial instruments) that are treated as attributable to U.S.-source dividends could be treated, in whole or in part depending on the circumstances, as a dividend equivalent payment that is subject to tax at a rate of 30% (or a lower rate under an applicable treaty), which in the case of any amounts you receive upon the sale, exchange or maturity of your notes, could be collected via withholding. If these regulations were to apply to the notes, we may be required to withhold such taxes if any U.S.-source dividends are paid on any of the index stocks during the term of the notes. We could also require you to make certifications (e.g., an applicable Internal Revenue Service Form W-8) prior to the maturity of the notes in order to avoid or minimize withholding obligations, and we could withhold accordingly (subject to your potential right to claim a refund from the Internal Revenue Service) if such certifications were not received or were not satisfactory. If withholding was required, we would not be required to pay any additional amounts with respect to amounts so withheld. These regulations generally will apply to 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) issued (or significantly modified and treated as retired and reissued) on or after January 1, 2021, but will also apply to certain 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) that have a delta (as defined in the applicable Treasury regulations) of one and are issued (or significantly modified and treated as retired and reissued) on or after January 1, 2017. In addition, these regulations will not apply to financial instruments that reference a qualified index (as defined in the regulations). We have determined that, as of the issue date of your notes, your notes will not be subject to withholding under these rules. In certain limited circumstances, however, you should be aware that it is possible for United States alien holders to be liable for tax under these rules with respect to a combination of transactions treated as having been entered into in connection with each other even when no withholding is required. You should consult your tax advisor concerning these regulations, subsequent official guidance and regarding any other possible alternative characterizations of your notes for U.S. federal income tax purposes.

Foreign Account Tax Compliance Act (FATCA) Withholding

Pursuant to Treasury regulations, Foreign Account Tax Compliance Act (FATCA) withholding (as described in United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus) will generally apply to obligations that are issued on or after July 1, 2014; therefore, the notes will generally be subject to FATCA withholding. However, according to published guidance, the withholding tax described above will not apply to payments of gross proceeds from the sale, exchange or other disposition of the notes made before January 1, 2019.

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EMPLOYEE RETIREMENT INCOME SECURITY ACT

This section is only relevant to you if you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh Plan) proposing to invest in the notes.

The U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA) and the U.S. Internal Revenue Code of 1986, as amended (the Code), prohibit certain transactions (prohibited transactions) involving the assets of an employee benefit plan that is subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) (a Plan) and certain persons who are parties in interest (within the meaning of ERISA) or disqualified persons (within the meaning of the Code) with respect to the Plan; governmental plans may be subject to similar prohibitions unless an exemption applies to the transaction. The assets of a Plan may include assets held in the general account of an insurance company that are deemed plan assets under ERISA or assets of certain investment vehicles in which the Plan invests. Each of The Goldman Sachs Group, Inc. and certain of its affiliates may be considered a party in interest or a disqualified person with respect to many Plans, and, accordingly, prohibited transactions may arise if the notes are acquired by or on behalf of a Plan unless those notes are acquired and held pursuant to an available exemption. In general, available exemptions are: transactions effected on behalf of that Plan by a qualified professional asset manager (prohibited transaction exemption 84-14) or an in-house asset manager (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), transactions involving bank collective investment funds (prohibited transaction exemption 91-38) and transactions with service providers under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code where the Plan receives no less and pays no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). The person making the decision on behalf of a Plan or a governmental plan shall be deemed, on behalf of itself and the plan, by purchasing and holding the notes, or exercising any rights related thereto, to represent that (a) the plan will receive no less and pay no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code) in connection with the purchase and holding of the notes, (b) none of the purchase, holding or disposition of the notes or the exercise of any rights related to the notes will result in a non-exempt prohibited transaction under ERISA or the Code (or, with respect to a governmental plan, under any similar applicable law or regulation), and (c) neither The Goldman Sachs Group, Inc. nor any of its affiliates is a fiduciary (within the meaning of Section 3(21) of ERISA) or, with respect to a governmental plan, under any similar applicable law or regulation) with respect to the purchaser or holder in connection with such person s acquisition, disposition or holding of the notes, or as a result of any exercise by The Goldman Sachs Group, Inc. or any of its affiliates of any rights in connection with the notes, and neither The Goldman Sachs Group, Inc. nor any of its affiliates has provided investment advice in connection with such person s acquisition, disposition or holding of the notes.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh plan), and propose to invest in the notes, you should consult your legal counsel.

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SUPPLEMENTAL PLAN OF DISTRIBUTION

GS Finance Corp. expects to agree to sell to GS&Co., and GS&Co. expects to agree to purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this prospectus supplement. GS&Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this prospectus supplement, and to certain securities dealers at such price less a concession not in excess of % of the face amount. In addition to the concession, any such securities dealer will receive from us a structuring fee of % of the face amount of each such note.

GS&Co. has engaged Incapital LLC to provide certain marketing services from time to time relating to notes of this series. Incapital LLC will receive a fee of % of the face amount of each note offered hereby from us in connection with such service.

In the future, GS&Co. or other affiliates of GS Finance Corp. may repurchase and resell the offered notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. GS Finance Corp. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, will be approximately $. For more information about the plan of distribution and possible market-making activities, see Plan of Distribution in the accompanying prospectus.

We expect to deliver the notes against payment therefor in New York, New York on October 17, 2018. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on any date prior to two business days before delivery will be required to specify alternative settlement arrangements to prevent a failed settlement.

We have been advised by GS&Co. that it intends to make a market in the notes. However, neither GS&Co. nor any of our other affiliates that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

Any notes which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and the accompanying prospectus supplement may not be offered, sold or otherwise made available to any retail investor in the European Economic Area. Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive); and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), GS&Co. has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes

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which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and the accompanying prospectus supplement to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such notes may be made to the public in that Relevant Member State:

a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the issuer for any such offer; or

c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes referred to above shall require us or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to GS Finance Corp. or The Goldman Sachs Group, Inc.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the notes in, from or otherwise involving the United Kingdom.

The notes may not be offered or sold in Hong Kong by means of any document other than (i) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made thereunder.

This prospectus supplement, along with the accompanying prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, along with the accompanying prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the SFA)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more

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individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (Regulation 32).

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

The notes are not offered, sold or advertised, directly or indirectly, in, into or from Switzerland on the basis of a public offering and will not be listed on the SIX Swiss Exchange or any other offering or regulated trading facility in Switzerland. Accordingly, neither this prospectus supplement nor any accompanying prospectus supplement, prospectus or other marketing material constitute a prospectus as defined in article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus as defined in article 32 of the Listing Rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland. Any resales of the notes by the underwriters thereof may only be undertaken on a private basis to selected individual investors in compliance with Swiss law. This prospectus supplement and accompanying prospectus and prospectus supplement may not be copied, reproduced, distributed or passed on to others or otherwise made available in Switzerland without our prior written consent. By accepting this prospectus supplement and accompanying prospectus and prospectus supplement or by subscribing to the notes, investors are deemed to have acknowledged and agreed to abide by these restrictions. Investors are advised to consult with their financial, legal or tax advisers before investing in the notes.

Conflicts of Interest

GS&Co. is an affiliate of GS Finance Corp. and The Goldman Sachs Group, Inc. and, as such, will have a conflict of interest in this offering of notes within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Consequently, this offering of notes will be conducted in compliance with the provisions of FINRA Rule 5121. GS&Co. will not be permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

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Prospectus Supplement dated July 10, 2017

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GS Finance Corp.

Digital Equity-Linked Notes due

guaranteed by

The Goldman Sachs Group, Inc.

Goldman Sachs & Co. LLC