



## Euronext LIFFE Disclosure

1. **Rules of LIFFE and our capacity:** All contracts in the terms of an Exchange Contract made on LIFFE (hereinafter, "LIFFE" or "Exchange") shall be subject to the Rules of LIFFE as from time to time in force. As a member of LIFFE, an affiliate of Interactive Brokers LLC ("IB"), which shall act as executing broker, contracts only as a principal in respect of contracts in the terms of an Exchange Contract. In the event of a conflict between the Rules of LIFFE and the terms of this Agreement, the Rules of LIFFE as from time to time in force, shall prevail.
2. **LIFFE Risk Disclosure for Financial Futures:** Pursuant to General Notice Number 1376, issued 18 March 1999 with an effective date of 12 April 1999, LIFFE requires that we provide you with certain information in connection with your trading of equity futures and options through LIFFE CONNECT, as follows:
  1. **Client Issues**
  1. **Exclusion of Liability:** As set forth in section 8 below, unless otherwise expressly provided for, the Exchange shall not be liable to any member or client for loss or damage caused as a result of such curtailment of trading opportunities.
  2. **Client Orders:** Prior to the commencement of trading, clients must undertake to understand the characteristics of order types recognised in LIFFE CONNECT™ and be aware that the Exchange has a number of powers which, if exercised, may impact upon the ability of a member to submit an order on behalf of a client or which may lead to the cancellation of an order after submission to the LIFFE CONNECT™ trading Host prior to execution. In particular, in addition to the powers already available to the Exchange (including those in relation to investor protection and maintaining an orderly and proper market), clients should be aware that, in respect of LIFFE CONNECT™
 

For Futures:

    1. the Exchange has the power to suspend a member's access, or access via a particular Individual Trading Mnemonic ("ITM") or ITMs, following a single warning, and to terminate a member's access under certain conditions;
    2. the Exchange will cancel all outstanding orders on the default of a member;
    3. orders outside the price limits will be rejected automatically by the Trading Host;
    4. all orders (with the exception of GTC orders) will be cancelled automatically at Market close or when the ITM under which the order was submitted is logged out without being transferred to an alternative ITM
    5. all orders (including GTC orders) will be cancelled at close of business on the Last Trading Day of the expiry month to which they relate; and
    6. all orders with the exception of GTC orders will be cancelled automatically if the Trading Host fails.
3. **Error Correction Facility:** In our and your interests, the Exchange may from time to time sanction the making of contracts by us outside the pit in order to satisfy your order, where there has been an error in the execution of your order in the pit. Where a better price (an improvement) can be obtained, we will seek to secure and offer that improvement to you. However, you should note that where, in response to your order, we have bought or sold in accordance with the instruction in your order to buy or, as the case may be, to sell but have traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then we may in accordance with the Exchange's Rules offset any loss arising from that trade against any improvement achieved for you in the course of correctly satisfying your order, thus offering you only the net improvement, if any.
4. **Matching contracts:** In respect of every contract made between us subject to the Rules of LIFFE, we shall have made an equivalent contract on the floor of the market for execution by open outcry or in the market conducted on the Automated Pit Trading system, or shall have accepted the allocation of any such contract.

5. **Allocation:** In respect of every contract made between us for allocation to another member specified by you:
  - (a) in the event that such other member accepts the allocation, we shall (without prejudice to any claim we may have for commission or other payment) upon such acceptance cease to be a party to the contract and shall have no obligation to you for its performance;
  - (b) in the event that such other member declines to accept the allocation, we shall be entitled at our option either to confirm the contract with you or to liquidate it by such sale, purchase, disposal or other transaction or cancellation as we may in our discretion determine, whether on the market or by private contract or any other feasible method; and any balance resulting from such liquidation shall be promptly settled between us
6. **Allocation on Delivery or Exercise:** Where the London Clearinghouse (“LCH”) does not specify a particular contract when making a delivery or exercise, IB shall use a random lottery when selecting particular contracts. This method is detailed in the Disclosure Regarding IB’s Procedures for Allocating Equity Option Exercise Notices available on the IB website. However, Customer acknowledges that: (A) commodity options cannot be exercised and must be closed out by offset; and (B) for futures contracts that settle not in cash but by physical delivery of the commodity (including currencies not on IB’s Deliverable Currency List), Customer cannot make or receive delivery. If Customer has not offset a commodity option or physical delivery futures position prior to the deadline on the IB website, IB is authorized to roll or liquidate the position or liquidate any position or commodity resulting from the option or futures contract, and Customer is liable for all losses/costs. As such, IB does not use an allocation method on physical delivery futures.
7. **Margin:** Customer shall monitor Customer’s account so that at all times the account shall contain a sufficient Account Balance to meet the margin requirements set by IB, margin requirements which IB may modify for any Customer for open and new positions at any time in IB’s sole discretion. The required margin may exceed the margin required by any exchange or clearing house. IB may reject any Customer Order while determining the correct margin status of Customer’s account. Customer shall maintain, without notice or demand, a sufficient Account Balance at all times so as to continuously meet the margin requirements established by IB. IB has no obligation to notify Customer of any failure to meet margin requirements in Customer’s account prior to exercising its rights and remedies under this Agreement. Customer understands that IB will not issue margin calls, and that IB will not credit Customer’s account to meet intraday margin deficiencies.
8. **The Market - Exclusion of Liability (rule 1.4):** The Exchange is obliged under the Financial Services Markets Act 2000 to ensure that business conducted by means of its facilities is conducted in an orderly manner and so as to afford proper protection to investors. To this end, the Exchange will at all times endeavour to maintain a fair and orderly market as is consistent with the Exchange’s legal obligations and the object of the market.

The Exchange wishes to draw to the attention of members and clients that, inter alia, business on the market may from time to time be suspended or restricted or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the LIFFE’s Rules including, without limitation, as a result of a decision taken under Rule 4.15 or 4.16 on the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly market. Any such action may result the inability of one or more members and through such members one or more clients to enter into contracts in accordance with the Rules on the terms of Exchange Contracts either by means of contracts entered into on the market floor or through an ATS.

Furthermore, a member and through the member one or more clients may from time to time be prevented from or hindered in entering into contracts in the terms of Exchange Contracts, or errors in orders or in contracts in the terms of Exchange Contracts may arise, as a result of a failure or malfunction of communications, or equipment, or market facilities, or the ATS central processing systems, or one or more ATS workstations supplied to the member by the Exchange or otherwise used by the member or software supplied to the member by the Exchange or any other person.

The Exchange further wishes to draw the following exclusion of liability to the attention of members and clients. Unless otherwise expressly provided in the Rules or in any other agreement to which the Exchange is party, the Exchange shall not be liable to any member or client for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to in Rule 1.4.2. or from any act or omission of the Exchange, its officers, employees, agents or representatives under LIFFE’s Rules or pursuant to the Exchange’s obligations under statute or from

any breach of contract by or any negligence howsoever arising of the Exchange, its officers, employees, agents or representatives.

9. **Arbitration.** Any dispute arising from or relating to this agreement, in so far as it relates to contracts made between us subject to the Rules of LIFFE, and any dispute arising from or relating to any such contract as aforesaid and made hereunder shall, unless resolved between us, be referred to arbitration under the arbitration rules of LIFFE, or to such other organisation as LIFFE may direct before either of us resort to the jurisdiction of the courts (other than to obtain an injunction or an order for security for a claim).
10. **Governing Law.** This agreement and all contracts made under this agreement shall be subject to and construed in accordance with English law.
11. **Jurisdiction:** Subject to the arbitration clause above, disputes arising from this agreement or from contracts made under this agreement shall (for our benefit) be subject to the exclusive jurisdiction of the English courts to which both parties hereby irrevocably submit, provided that this shall not prevent us bringing an action in the courts of any other jurisdiction.
12. **Changes to Agreement:** Notwithstanding any previous agreement between us to the contrary, we now agree that a variation of the terms agreed between us from time to time does not require the written agreement of both of us. This notification shall take effect 12 days after despatch by us, provided that you do not object within 10 days of receipt.