



## INTERACTIVE BROKERS CENTRAL EUROPE Zrt

### FULLY DISCLOSED CLEARING AGREEMENT

This Clearing Agreement ("**Agreement**") is entered into by and between \_\_\_\_\_ ("**Introducing Broker**") and Interactive Brokers Central Europe Zrt ("**IBCE**") (collectively the "**Parties**" and each a "**Party**").

IBCE is a private company limited by shares that is duly organised and existing under the laws of Hungary, with company registration number 01-10-141029 and with a principal place of business located at Madách Imre út 13-14, 1075, Hungary, Budapest. IBCE is regulated by the Central Bank of Hungary (*Magyar Nemzeti Bank*) ("**MNB**"). IBCE is included in the MNB's register of regulated financial service providers under number H-EN-III-623/2020. The MNB's address is Szabadság tér 9, 1054, Hungary, Budapest.

The Introducing Broker is a company that is duly organised and existing under the laws of [●], with a principal place of business located at [●]. The Introducing Broker is authorised and regulated as a [●] by [●] in [●].

WHEREAS, the Introducing Broker desires to introduce accounts to IBCE on a fully disclosed basis ("**Fully Disclosed Accounts**");

WHEREAS, IBCE desires to provide execution and clearing services for the Fully Disclosed Accounts, subject to the terms and conditions of this Agreement;

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which the Parties hereby acknowledge, and intending to be legally bound by this Agreement, the Parties agree as follows:

- 1. Establishment of the Fully Disclosed Accounts:** The Fully Disclosed Accounts shall be established and maintained in conformity with all applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules, regulations, regulatory guidelines, interpretations, protocols of the jurisdiction of the Introducing Broker and the customs and usages of the applicable exchanges and clearing houses in the jurisdiction of the Introducing Broker, including the European Union (Markets in Financial Instruments) Regulations 2017 ("**MiFID Regulations**") (collectively "**Applicable Laws**").
- 2. Applicable Fully Disclosed Accounts:** This Agreement shall apply to all Fully Disclosed Accounts introduced by the Introducing Broker and held by IBCE and any separate proprietary account of the Introducing Broker.
- 3. Allocation of Responsibilities:** The Introducing Broker shall introduce clients to IBCE on a fully disclosed basis ("**Clients**") pursuant to the terms and conditions of this Agreement. The Fully Disclosed Accounts shall be held in the name of the Clients. The responsibilities of the Parties shall be allocated in accordance with the terms of this Agreement. To the extent that a particular function is allocated to one Party only under this Agreement, the other Party shall supply that Party with information in its possession pertinent to the proper performance and supervision of that function.
- 4. Opening, Approval and Monitoring of Fully Disclosed Accounts:**
  - 4.1. IBCE shall be responsible for the opening, approval, monitoring and supervision of the Fully Disclosed Accounts.

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- 4.2. IBCE shall not have any discretionary authority with respect to any Fully Disclosed Account. The Introducing Broker may have discretionary authority with respect to Fully Disclosed Accounts and shall supervise such Fully Disclosed Accounts in accordance with the Applicable Laws.
- 4.3. IBCE shall: (a) verify Clients' identities; (b) obtain certain information from each Client (e.g. financial information and investment objectives) to determine whether the Client satisfies IBCE's criteria for establishing a brokerage account and trading the investment products requested by Client; (c) approve or disapprove the opening of the account; and (d) maintain those new account records related to the foregoing that are required by Applicable Laws.
- 4.4. The Introducing Broker shall be solely and exclusively responsible for: (i) satisfying all other requirements of "know your customer" suitability and sales practice requirements including, without limitation, all requirements related to any investment advice, investment recommendations, solicitation of orders, discretionary trading authority or any other service that the Introducing Broker may provide to Client and (ii) maintaining all new account records related thereto that are required by Applicable Laws.
5. **Required Disclosures:** The Parties agree to provide Clients with any disclosures required to be given to Clients under the Applicable Laws of their respective home countries. IBCE shall notify each Client of the existence of this Clearing Agreement and of the relationship between IBCE and the Introducing Broker.
6. **Investment Advice:** Representatives of IBCE are not authorised to provide investment, tax or trading advice or to solicit orders and none of the information, research or other material provided by IBCE or on IBCE's website constitutes a recommendation by IBCE or a solicitation to buy or sell securities, options, futures or other investment products. The Introducing Broker may provide investment advice and, to the extent that it does so, shall comply with Applicable Laws including, without limitation, any applicable suitability and anti-money laundering and counter-terrorist financing ("AML/CFT") requirements.
7. **Receipt, Segregation, Safeguarding and Delivery of Client Funds and Extension of Credit:** IBCE shall receive, segregate, and deliver Clients' funds, securities, and other property in accordance with Applicable Laws.
8. **Client Money and Custody:** IBCE shall provide to Fully Disclosed Accounts client money and safe custody services.
9. **Acceptance and Submission of Orders and Instructions:**
  - 9.1. IBCE is authorised to accept orders directly from a Client for its Fully Disclosed Account or from the Introducing Broker for a Client's Fully Disclosed Account. For orders transmitted to IBCE by the Introducing Broker, the Introducing Broker is solely responsible for determining whether such orders are properly authorised by the Client and IBCE will not contact the Client to verify or confirm, prior to execution, orders sent to IBCE by the Introducing Broker. For orders transmitted to IBCE by the Introducing Broker, the Introducing Broker shall be solely responsible for any errors in the transmission of such orders.
  - 9.2. IBCE shall be responsible for screening orders to make sure that such orders are within the risk management limits for the Fully Disclosed Accounts.
  - 9.3. IBCE shall process instructions received from Clients (or from the Introducing Broker on behalf of Clients) with respect to voluntary corporate actions (e.g. exchange offers, rights offerings, warrants, tender offers) involving the Fully Disclosed Accounts.
  - 9.4. IBCE is authorised to accept any account instructions received from the Introducing Broker related to a Client's Fully Disclosed Account, including but not limited to account instructions to view, update or change account information, account settings, passwords or security/account access information and products to be traded; to issue payments, wires and transfers to Clients and third parties; to freeze, limit or restrict access to client accounts or

funds, to vote shares and make elections regarding positions and to participate in special programs and investments. The Introducing Broker is solely responsible for determining whether such instructions are properly authorised by the Client and IBCE is not required to contact the Client to verify or confirm instructions submitted to IBCE by the Introducing Broker before effectuating those instructions.

10. **Client Support:** The Introducing Broker agrees to address any client communications or inquiries, including complaints, to the best of its ability if contacted directly by the client. The Broker will promptly forward communications or inquiries by clients to IBCE in the event it is unable to provide a sufficient and satisfactory solution for the client for any such client communication. The Introducing Broker shall not represent IBCE in any disputes and issues concerning IBCE's performance of its responsibilities for Client accounts (such as trading issues, execution questions, margin and credit issues, etc.) and all such inquiries will be forwarded to IBCE if received by the Introducing Broker and IBCE will communicate the resolution to the Introducing Broker (or in exceptional cases, the Client). The Introducing Broker shall have no authority to bind IBCE or to enter into any agreement, understanding or commitment giving rise to any liability or obligation of IBCE.
11. **Execution, Clearing and Settlement:** IBCE or its affiliates, as applicable, shall execute orders and clear and settle transactions executed for the Fully Disclosed Accounts, pursuant to the terms and conditions of this Agreement and Applicable Laws.
12. **Commissions and Fees:**
  - 12.1. In order to apply to become an Introducing Broker, IBCE requires the Introducing Broker to provide a USD10,000 application deposit. This USD10,000 deposit shall be placed in the Introducing Broker's proprietary account with IBCE. Upon approval of the Introducing Broker's application, it is expected that this deposit will be applied against the first USD10,000 in commissions/clearing fees incurred. If the Introducing Broker does not complete its application, the deposit will not be refunded. If IBCE rejects the Introducing Broker's completed application, or if IBCE's and/or its affiliates' regulators do not approve the Introducing Broker's participation as an introducing broker, the deposit will be refunded.
  - 12.2. The Introducing Broker shall notify IBCE of the commission rates applicable to transactions for the Fully Disclosed Accounts. Commission rates for Fully Disclosed Accounts shall be no lower than the standard commission rates published on the IBCE website. The Introducing Broker is responsible for notifying Client of the commission rates for Fully Disclosed Accounts and any fees applicable to the Fully Disclosed Accounts. The Introducing Broker represents and warrants that the commission rates for Fully Disclosed Accounts shall be commercially reasonable and shall comply with all Applicable Laws.
  - 12.3. IBCE shall deduct applicable commissions and fees from the Fully Disclosed Accounts. The Introducing Broker represents and warrants that all commissions and fees charged by the Introducing Broker to any Client have been or will be clearly and completely disclosed to the Client. The Introducing Broker further represents and warrants that its commissions and fees shall be commercially reasonable and shall comply with all Applicable Laws.
  - 12.4. IBCE shall calculate and retain IBCE's and/or its affiliates' share of the commissions and fees collected for transactions in the Fully Disclosed Accounts. The Introducing Broker's commissions and fees collected by IBCE for the Fully Disclosed Accounts shall be remitted periodically to the Introducing Broker. The Introducing Broker agrees to return to IBCE immediately any funds of any kind erroneously or improperly remitted to The Introducing Broker by IBCE. In the event that funds in a Fully Disclosed Account are insufficient to pay IBCE's portion of commissions and fees and The Introducing Broker's portion, IBCE's portion shall be paid first.
13. **Confirmations and Statements:** IBCE generally shall be responsible for providing confirmations and account statements to Clients. However, the Introducing Broker is solely responsible to deliver to Fully Disclosed Clients the statement detailing the aggregated amount of costs and charges

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received by the Introducing Broker in relation to the services provided by the Introducing Broker to the Fully Disclosed Account. A copy of the statement is made available to the Introducing Broker in Account Management.

14. **Books and Records:**

14.1. IBCE and/or its affiliates shall be responsible for maintaining required books and records including, without limitation, account documentation required for a brokerage account and for trading the products requested by Client, in connection with the Fully Disclosed Accounts. If the Introducing Broker is required under its home country laws and regulations or the home country laws and regulations of the Client to maintain additional books and records, the Introducing Broker shall do so.

14.2. The Introducing Broker shall have access to account information regarding the Fully Disclosed Accounts introduced by the Introducing Broker.

14.3. The Introducing Broker agrees that IBCE or its affiliates may furnish complaints regarding the Introducing Broker to the Introducing Broker's regulators or other complaints handling bodies, if they, in their sole discretion, determine that such action is appropriate.

15. **Client Agreements:** Nothing in this Agreement shall be deemed to alter or supersede the rights of IBCE and/or its affiliates pursuant to the agreements entered with Fully Disclosed Clients ("**Client Agreements**"). IBCE retains complete discretion in determining whether to approve account applications from prospective Clients, to suspend or terminate Client Accounts, to handle and resolve disputes with Clients, and to take any other action with respect to Clients or Clients' Fully Disclosed Accounts under the relevant Client Agreements.

16. **The Introducing Broker's Proprietary Accounts:** The Introducing Broker acknowledges that a separate account that may be used to receive commissions and fees and hold any proprietary funds and positions of the Introducing Broker, may not be treated as a Fully Disclosed account for the purpose of this Agreement. If the Introducing Broker maintains a proprietary account with IBCE, such account shall be subject to the terms and conditions of the Interactive Brokers Central Europe Zrt Customer Agreement, which is incorporated herein by reference.

17. **Representations and Warranties:**

17.1. The Introducing Broker represents that the Introducing Broker is authorised pursuant to its articles of incorporation, charter, by-laws, operating agreement or other governing document(s) and Applicable Laws to: (1) retain the services of IBCE; (2) enter into this Agreement; (3) engage in the securities, options, futures, and other investment transactions to be effected through the Fully Disclosed Account; (4) effect such transactions on behalf of the Introducing Broker's Clients; and (5) engage in all other transactions and activities contemplated by this Agreement.

17.2. The Introducing Broker represents that all information provided by the Introducing Broker to IBCE in the account application and during the account approval process is true and correct.

17.3. The Introducing Broker represents that the Introducing Broker and its officers, directors and employees are and shall remain for the duration of this Agreement properly registered, approved, licensed, or authorised (unless such persons are not required to be so registered, approved, licensed, or authorised) under Applicable Laws. The Introducing Broker shall immediately notify IBCE of any changes in any of its regulatory or self-regulatory organisation registrations, approvals, licensures, authorisations, or memberships.

17.4. The Introducing Broker represents that the Introducing Broker and its officers, directors and employees are now, and shall remain, in compliance with Applicable Laws. The Introducing Broker shall comply with whatever non-member access rules have been promulgated by any exchange for which The Introducing Broker transmits orders.

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17.5. The Introducing Broker represents that there are no civil or criminal complaints, investigations, proceedings, actions or suits pending against or involving the Introducing Broker or any of The Introducing Broker's officers, directors, or employees: (1) which allege any violation by the Introducing Broker of any of the criminal, securities, or commodities laws or regulations of any jurisdiction, regulatory or self-regulatory organisation, or exchange and (2) which, if decided, would have a material, adverse effect on the ability of the Introducing Broker to fulfil its obligations under this Agreement.

18. **Reporting:**

18.1. **Disciplinary Action, Suspension, or Restriction:** The Introducing Broker shall immediately notify IBCE if the Introducing Broker becomes subject to any disciplinary action, suspension or restriction imposed by any agency, regulatory or self-regulatory organisation, or exchange that would affect the Introducing Broker's ability to fulfil its obligations hereunder, and shall promptly provide to IBCE a copy of any decision relating to such disciplinary action, suspension, or restriction. The Introducing Broker also shall immediately notify IBCE of any other restriction on its activities with respect to the Fully Disclosed Accounts or Clients. In either of these events, IBCE may take any action it deems to be necessary: (1) to assure itself that the Introducing Broker will continue to comply with Applicable Laws notwithstanding such action, suspension or restriction, and (2) to comply with any requests, directives, or demands made upon IBCE or its affiliate by any agency, regulatory or self-regulatory organisation, or exchange.

18.2. **Requests for Information and Cooperation with Inquiries:** The Introducing Broker agrees to cooperate fully with, and shall comply with all appropriate requests for information arising from, any enquiry or investigation by IBCE and/or its affiliates or any agency, regulatory or self-regulatory organisation, or exchange regarding any activities of the Introducing Broker or of Clients.

19. **Confidentiality:**

19.1. Introducing Broker and IBCE will each treat as confidential (both during and after the termination of the relationship between Introducing Broker and IBCE) any information learned about the other in the course of the relationship pursuant to this Agreement and, except as otherwise agreed, shall not disclose the same to any third party except as set out below.

19.2. The obligations of confidentiality shall not apply or shall cease to apply to such part of the information (other than personal data) as the receiving party can show to the reasonable satisfaction of the disclosing party:

19.2.1. has become public knowledge other than through the fault of the receiving party or an employee or director of the receiving party to whom it has been disclosed in accordance with this Agreement; or

19.2.2. where the receiving party establishes it was already known to it prior to disclosure of it by the disclosing party; or

19.2.3. has been received from a third party who neither acquired it in confidence from the disclosing party, nor owed the disclosing party a duty of confidence in respect of it; or

19.2.4. is required to disclose it by law or any regulatory authority or pursuant to a court order provided that the receiving party shall, where permitted by law, have given prior written notice to the disclosing party, and provided always that such disclosure is only made to the extent absolutely and specifically required under such requirement.

20. **Use of Confidential Information:**

20.1. Introducing Broker acknowledges that IBCE may obtain information (including personal data and special categories of personal data, each as defined in the General Data Protection Regulation (EU) 2016/679 ("**Data Protection Law**")) about Introducing Broker or Introducing Broker's directors, shareholders, employees, officers, agents or clients as necessary. IBCE

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shall comply with applicable data protection law with regard to processing personal data. Introducing Broker acknowledges that Introducing Broker has read and understood the Interactive Brokers Group Privacy Policy contained in Appendix 5 to the Agreement as may be updated from time to time and published on the IBCE website which sets out how personal data shall be processed by IBCE.

20.2. Introducing Broker understands that IBCE may use, store or otherwise process any such information (whether provided electronically or otherwise) and may disclose any such information (including, without limitation, information relating to Introducing Broker's transactions and account) either as IBCE shall be obliged to under or pursuant to any applicable law or rules or by any regulatory authority or as may be required to provide services to Introducing Broker under this Agreement.

20.3. IBCE may:

20.3.1. disclose information about Introducing Broker to Introducing Broker's agents or attorneys for any purpose relating to this Agreement;

20.3.2. disclose information about Introducing Broker and Introducing Broker's clients, of a confidential nature, in the circumstances set out in this Clause:

20.3.2.1. to other members of the Interactive Brokers Group, who may use it in the manner set out in this Clause (and for the avoidance of doubt, references to "IBCE", in this Clause shall be deemed to include all members of the Interactive Brokers Group);

20.3.2.2. to other organisations and individuals IBCE may engage to perform, or assist in the performance of, IBCE services or to advise IBCE, provided that they will only be given access to the relevant information for that purpose;

20.3.2.3. to any depository, stock exchange, clearing or settlement system, account controller or other participant in the relevant system, to counterparties, dealers, custodians, intermediaries and others where disclosure is reasonably intended for the purpose of effecting, managing or reporting transactions in connection with the Agreement or establishing a relationship with a view to such transactions;

20.3.2.4. as may be required for the purposes set out in this Clause.

20.4. To the extent such authorisation is required by law, Introducing Broker hereby authorises IBCE, directly or through third parties, to make any enquiries that IBCE considers necessary to conduct business with Introducing Broker. This may include ordering a credit report and performing other credit checks, or verifying the information Introducing Broker provides against third party databases. Any personal data obtained is maintained in accordance with the Interactive Brokers Group Privacy Policy.

20.5. If any personal data or sensitive personal data belonging to any of Introducing Broker's shareholders, directors, employees, officers, agents or clients is provided to IBCE, Introducing Broker represents to IBCE that each such person is aware of and, to the extent required by law, consents to the use of such data as set out in this section and Introducing Broker agrees to indemnify IBCE against any loss, costs or expenses arising out of any breach of this representation.

## 21. **Recording:**

21.1. Telephone conversations will be recorded. IBCE (IBCE affiliates or representatives) may contact Introducing Broker by telephone as required and appropriate under this Agreement. To the extent permitted under Applicable Law IBCE, IBCE affiliates or any other person appointed by IBCE may access, review, disclose, monitor and/or record verbal and electronic messaging and communications (including email, instant messaging, facsimile, telephone and other electronic communications) with Introducing Broker or Introducing Broker's agent. The recordings may be used as evidence if there is a dispute. Where required under Applicable Laws, a copy of records relating to telephone and electronic communications will be available to Introducing Broker upon request for a period of 5 years and, where requested by the competent authority, for a period of up to 7 years. IBCE will retain such records in accordance

with IBCE's procedures which may change from time to time in IBCE's absolute discretion. Introducing Broker should not expect to be able to rely on IBCE to comply with Introducing Broker's record keeping obligations.

## **22. Anti-Money Laundering and Related Obligations:**

### **22.1. The Introducing Broker's AML Responsibilities:**

- 22.1.1. **Acknowledgment of AML Obligations:** The Introducing Broker hereby agrees and acknowledges that it is obligated to, and hereby represents and warrants that it currently, and will continue to, comply with all applicable AML/CFT laws and regulations ("**AML/CFT Laws**").
- 22.1.2. The Introducing Broker hereby agrees and acknowledges that it is obligated to, and hereby represents and warrants that it currently, and will continue to, comply with all applicable requirements relating to the application of financial sanctions in respect of Clients.
- 22.1.3. **AML/CFT Program:** The Introducing Broker has established, maintains and enforces an AML/CFT program of written internal policies, procedures and controls including, without limitation: (1) written policies and procedures and a means for monitoring identifying and reporting suspicious activity relating to the Introducing Brokers' Accounts; (2) an on-going employee AML/CFT training Program; (3) an independent audit function to test its AML/CFT Program annually; and (4) any additional requirements of any governmental, regulatory or self-regulatory body with jurisdiction over the Introducing Broker.
- 22.1.4. **Knowledge of IBCE's AML/CFT Policies and Procedures:** The Introducing Broker agrees to become familiar with any of IBCE's AML/CFT policies and procedures provided to the Introducing Broker and to abide by them.
- 22.1.5. **Surveillance and Suspicious Activity Reporting:** The Introducing Broker shall conduct surveillance of the activity in the Fully Disclosed Accounts including, without limitation, reviewing account activity for the purpose of detecting suspicious transactions or other account activity that may involve money laundering, terrorist financing activity or other illegal conduct. The Introducing Broker shall notify IBCE's AML Compliance Officer regarding any account activity the Introducing Broker knows or has reason to suspect: involves funds related to money laundering, terrorist financing activity or any other illegal conduct; is intended or conducted in order to hide or disguise funds or assets derived from illegal activity; is designed to evade laws or regulations; involves the use of IBCE or the Introducing Broker to facilitate criminal activity; is not legitimate, has no business or apparent purpose or is not the sort of transactions in which the particular Client would normally be expected to engage (and there is no reasonable explanation therefor); is otherwise suspicious; or could support the filing of a suspicious activity report ("**SAR**") of any kind. Such notice shall be provided by the Introducing Broker as soon as practical after identifying the activity and, in any event, prior to filing a SAR. The Introducing Broker shall communicate with IBCE about the account activity for the purposes of sharing information about the activity and shall provide IBCE with any information or documentation regarding the activity, the responsible Client or related persons that IBCE, in its sole discretion, believes is necessary or appropriate to fulfil its obligations. The Introducing Broker shall provide IBCE with copies of all SARs and other communications it files with any exchange or governmental, regulatory or self-regulatory body regarding the activity. The Introducing Broker shall take any action that IBCE may request in connection with such activity, whether the activity was detected by the Introducing Broker, IBCE or both. Concerning communication between the Introducing Broker and IBCE about suspicious client activity, no statements to be made by IBCE may be construed as legal advice.
- 22.1.6. **Record keeping:** The Introducing Broker shall keep and maintain accurate records of the services it provides to Clients (including but not limited to all records relating to

AML/CFT requirements). Upon request, the Introducing Broker shall submit copies of such records to IBCE or any proper exchange or any federal or state regulatory, or self-regulatory authority, or any regulator.

## 22.2. **IBCE's AML Responsibilities:**

22.2.1. **Client Identification:** The IBCE electronic account application system shall be programmed to require new applicants for the Introducing Broker Fully Disclosed Accounts to provide specified identification information and IBCE shall perform certain procedures designed to verify the identity of each applicant for an Introducing Broker Fully Disclosed Account through documentary and/or non-documentary means (to the extent reasonable and practicable and in accordance with the AML/CFT Laws) before or within a reasonable time after the account has been opened. Such means may vary from time to time, in IBCE's sole discretion. The Introducing Broker acknowledges that IBCE may use a third party service provider for verification of Client's identification and shall not be liable, in any way, for any errors or omissions made by such third party vendor.

22.2.2. **Negative Information Checks:** The IBCE electronic account application system shall be programmed to electronically check the names of applicants for Fully Disclosed Accounts against the names on IBCE's database of names appearing on required governmental or SRO "watch lists" and shall maintain procedures for addressing any potential matches thereto. The Introducing Broker acknowledges that IBCE compiles its database from lists provided by third party sources and relies thereon and IBCE (including its affiliates) shall not be held liable for any errors or omissions in such lists. The Introducing Broker shall cooperate fully with any request made by IBCE or any regulatory or self-regulatory authority in their efforts to determine whether there is an actual match between an Introducing Broker Client and a name on a relevant list or whether the account would be subject to any sanction or restriction. The Introducing Broker also shall implement any action determined by IB IE or such authorities to be necessary or appropriate under the circumstances.

22.2.3. **Surveillance and Suspicious Activity Reporting:** IBCE shall operate various automated surveillance programs that are designed to detect suspicious transactions and activity that may involve money laundering, terrorist activity or other illegal conduct. The actual systems and tools used by IBCE for these purposes may vary from time to time, at IBCE's discretion. Where IBCE believes that it is necessary or appropriate to do so, IBCE and/or its affiliates will file a report with appropriate authorities. By conducting such surveillance and filing such reports, IBCE does not thereby assume any responsibility of the Introducing Broker for conducting surveillance of the activity in the accounts of the Clients nor to report any suspicious activity therein under any other law or regulation.

## 22.3. **Liability and Indemnity:**

22.3.1. **Limitation on Liability:** IBCE and its affiliates shall not be liable under any circumstances for any loss or damages incurred by the Introducing Broker or Clients in relation to the verification of the identification of the Introducing Broker's Clients. Similarly, the AML/CFT Laws do not prescribe a particular method to conduct surveillance in Client accounts for suspicious activity, there is no full-proof method for doing so and IBCE and its affiliates are not obligated to review each and every Client transaction. Accordingly, IBCE and its affiliates shall not be liable under any circumstances for any loss or damage incurred by the Introducing Broker or Clients as a result of its failure to detect particular suspicious transactions or account activity or patterns thereof. In no event shall any liability (with respect to IBCE's obligations under section 21.2) be imposed on IBCE or any of its affiliates, regardless of the form of action and damages suffered by the Introducing Broker exceed the highest aggregate monthly commissions and fees paid by introduced Clients to IBCE. Under no circumstances shall IBCE or any of its affiliates be liable for any punitive, indirect, incidental, special or consequential loss or damages, including loss of business, profits or goodwill.



**23. Event of Default:**

- 23.1. An "Event of Default" hereunder shall occur automatically, without notice from IBCE if: (1) the Introducing Broker breaches, repudiates, or defaults in any way on any agreement with IBCE; (2) IBCE, in its sole discretion, determines that it has sufficient grounds for insecurity with respect to the Introducing Broker's performance of any obligation to any person and, immediately after demand, the Introducing Broker fails to provide assurance of performance of the obligation satisfactory to IBCE; (3) any proceedings are commenced by or against the Introducing Broker under any bankruptcy, insolvency, relief of debtors, or similar law; (4) the Introducing Broker makes an assignment for the benefit of creditors; (5) a receiver, trustee, conservator, liquidator, or similar officer is appointed for the Introducing Broker or any of the Introducing Broker's property; (6) any of The Introducing Broker's representations to IBCE, whenever or wherever made, were misleading when made or later become untrue; (7) the Introducing Broker or any organisation of which the Introducing Broker is a member suspends or threatens to suspend the transaction of its usual business; (8) any proceeding is commenced with respect to any of the Introducing Broker's property or any such organisation; or (9) IBCE has reason to believe that any of the foregoing is likely to occur imminently.
- 23.2. The Introducing Broker absolutely and unconditionally agrees that, after the occurrence of an Event of Default, IBCE is authorised to terminate this Agreement.
- 23.3. The Introducing Broker shall indemnify IBCE and its affiliates, and hold IBCE and its affiliates, harmless for all actions, omissions, costs, expenses (including attorneys' fees), losses, penalties, claims or liabilities, which IBCE or its affiliates incur in connection with: (1) the exercise of any remedy, (2) the care of collateral and defending or asserting the rights and claims of IBCE or its affiliates in respect thereof, and (3) meeting any obligation of IBCE or its affiliates which it fails to perform by reason of an Event of Default.

**24. License to Use Interactive Software and Related Restrictions:** IBCE and/or its affiliates grant to the Introducing Broker and the Introducing Broker accepts a non-exclusive and non-transferable license to use their proprietary software to communicate with the Interactive System ("**Interactive Software**") and to utilise the services contemplated herein. Title to the Interactive Software shall remain the sole property of IBCE and its affiliates, including without limitation, all applicable rights to patents, copyrights and trademarks. The Introducing Broker shall secure and protect the Interactive Software in a manner consistent with the maintenance of IBCE's and its affiliates' ownership and rights therein and shall not sell, exchange, or otherwise transfer the Interactive Software to others. IBCE and its affiliates shall be entitled to obtain immediate injunctive relief against threatened breaches of the foregoing undertakings. The Introducing Broker shall not copy, modify, translate, decompile, reverse engineer, disassemble or otherwise reduce to a human readable form, or adapt, the Interactive Software or use it to create a derivative work, unless authorised in writing to do so by an officer of IBCE and confirmed by IBCE's secretary. Any updates, replacements, revisions, enhancements, additions or conversions to the Interactive Software supplied to the Introducing Broker by IBCE shall become subject to this Agreement.

**25. Liability and Indemnity:**

- 25.1. LIMITATION OF IBCE'S AND ITS AFFILIATES' LIABILITY TO THE INTRODUCING BROKER:
- 25.2. UNDER NO CIRCUMSTANCES SHALL IBCE OR ANY OF ITS AFFILIATES BE LIABLE FOR ANY PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGES, INCLUDING LOSS OF BUSINESS, PROFITS OR GOODWILL UNLESS ARISING DIRECTLY FROM ITS INTENTIONAL BREACH OF AGREEMENT OR CAUSING PERSONAL BODILY INJURY, DAMAGE TO PHYSICAL HEALTH OR DEATH. IN NO EVENT SHALL IBCE'S LIABILITY, INCLUDING ITS AFFILAITES, REGARDLESS OF THE FORM OF ACTION AND DAMAGES SUFFERED BY THE INTRODUCING BROKER, EXCEED THE HIGHEST AGGREGATE MONTHLY COMMISSIONS AND FEES PAID BY INTRODUCED CLIENTS TO IBCE, UNLESS THE DAMAGES ARISE FROM ITS

INTENTIONAL BREACH OF AGREEMENT OR CAUSING PERSONAL BODILY INJURY, DAMAGE TO PHYSICAL HEALTH OR DEATH.

- 25.3. THE INTRODUCING BROKER ACCEPTS IBCE'S AND ITS AFFILIATE'S TECHNOLOGY, SOFTWARE (INCLUDING THE INTERACTIVE SOFTWARE) AND TRADING SYSTEM ("**INTERACTIVE SYSTEM**") "AS IS", AND WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, PURPOSE OR APPLICATION; TIMELINESS; FREEDOM FROM INTERRUPTION; OR ANY IMPLIED WARRANTIES ARISING FROM TRADE USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE. IBCE AND ITS AFFILIATES SHALL NOT BE LIABLE TO THE INTRODUCING BROKER BY REASON OF DELAYS OR INTERRUPTIONS OF SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE OF THE INTERACTIVE SYSTEM, REGARDLESS OF CAUSE, INCLUDING, BUT NOT LIMITED TO, THOSE CAUSED BY HARDWARE OR SOFTWARE MALFUNCTION; GOVERNMENTAL, EXCHANGE OR OTHER REGULATORY ACTION; ACTS OF GOD; WAR; TERRORISM; OR IBCE'S OR ITS AFFILIATES' INTENTIONAL ACTS. THE INTRODUCING BROKER RECOGNISES THAT THERE MAY BE DELAYS OR INTERRUPTIONS IN THE USE OF THE INTERACTIVE SYSTEM, INCLUDING, FOR EXAMPLE, THOSE CAUSED INTENTIONALLY BY IBCE AND ITS AFFILIATES FOR PURPOSES OF SERVICING THE SYSTEM. THE INTRODUCING BROKER ACKNOWLEDGES THAT CLIENTS ARE RESPONSIBLE FOR MAINTAINING ALTERNATIVE TRADING ARRANGEMENTS IN ADDITION TO THEIR FULLY DISCLOSED ACCOUNT.
- 25.4. **Indemnification of IBCE by the Introducing Broker:** The Introducing Broker shall indemnify, defend and agree to hold IBCE, its affiliates, their respective successors and assigns, and their respective directors, officers, employees and agents ("**IBCE Indemnitees**") harmless from and against any and all claims, demands, proceedings, suits and actions, of any kind, made at any time, by any person or entity (including, but not limited to, Clients or regulatory or self-regulatory authorities) for any penalties, damages, costs, judgments, attorneys' fees or any other expenses incurred in connection with the Introducing Broker's actions or inactions involving the Fully Disclosed Accounts or any of the Clients or any other transaction or activity contemplated by this Agreement. Errors, misunderstandings, controversies or disputes involving former, current, or potential Clients of the Introducing Broker shall be the Introducing Broker's sole responsibility and liability. Notwithstanding the foregoing, the Introducing Broker shall not be obligated to indemnify IBCE for any penalties, damages, costs, judgments, attorneys' fees or other expenses that are incurred solely as a result of, solely arise out of, or are imposed solely due to IBCE's or its affiliates' fraud, wilful misconduct or gross negligence. These indemnification provisions shall remain operative and in full force after termination of this Agreement.
- 25.5. **Defence of Third Party Claims:** If within ten (10) business days after receiving written notice of any claim, demand, proceeding, suit or action with respect to which IBCE Indemnitees may have any claim to indemnification under this Agreement, The Introducing Broker shall fail to institute the defence of IBCE Indemnitees in connection with such claim, demand, proceeding, suit or action, or if thereafter the Introducing Broker shall fail diligently to prosecute such defence, IBCE shall have the right, but not the obligation, to defend such action. The costs and expenses, including reasonable attorneys' fees, associated with such a defence shall be borne by the Introducing Broker. Neither the exercise of the right to participate in or assume the responsibility for any such defence nor the failure to exercise such rights shall limit, in any way, IBCE Indemnitees' rights to indemnification under this Agreement. IBCE Indemnitees shall have the right to select its counsel in connection with any claim or proceeding for which indemnification is provided. The Introducing Broker shall not settle any claim, demand, proceeding, suit or action against IBCE Indemnitees without the prior written consent of IBCE Indemnitees.
26. **Relationship between the Parties:**

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- 26.1. This Agreement does not and shall not be deemed to constitute a partnership or a joint venture between the Parties. Neither the Introducing Broker nor any of its officers, directors, employees or representatives are employees agents, or intermediaries of IBCE, nor shall they hold themselves out as such. The Introducing Broker has no authority to make any representations or give any warranties on IBCE's behalf and shall not make any such representations or give any such warranties. The Introducing Broker shall have no authority to bind IBCE or any of its affiliates, or to enter into any agreement, understanding or commitment giving rise to any liability or obligation of IBCE or any of its affiliates.
- 26.2. Nothing in this Agreement shall be construed to prevent the Introducing Broker from competing with IBCE or to prevent The Introducing Broker from doing business with Clients exclusive of IBCE and outside the terms of this Agreement. Nothing in this Agreement shall be construed to prevent IBCE or its affiliates from competing with the Introducing Broker or to prevent IBCE or its affiliates from doing business with Clients exclusive of the Introducing Broker and outside the terms of this Agreement.
27. **Transfer of Accounts:** In the event of a potential transfer by IBCE of any positions in any Fully Disclosed Account pursuant to this Agreement, the Introducing Broker shall promptly provide IBCE with written notice of the name of the broker-dealer to whom such positions are to be transferred, the anticipated date on which it shall commence acting as executing and/or clearing broker with respect to the Fully Disclosed Account and the name of the individual within that organisation that IBCE can contact to coordinate the transfer.
28. **Termination of the Agreement:**
- 28.1. Either party may terminate this Agreement and/or the Introducing Broker's use of the Interactive System at any time, in its sole discretion. Termination of this Agreement shall not be deemed to terminate the agreements in effect between IBCE and/or its affiliates and the Clients, or the Fully Disclosed Accounts of the Clients.
- 28.2. Termination of this Agreement shall not release the Parties from any liability or responsibility with respect to transactions occurring prior to the effective date of such termination, whether or not claims relating to such transaction shall have been made before or after such termination.
- 28.3. Sections 22, 23.3, 24 and 26 shall survive any termination of this Agreement.
29. **Treatment of the Introducing Broker:** IBCE shall treat the Introducing Broker as a professional client under the MiFID Regulations. The Introducing Broker has the right to request a different client categorisation, although IBCE is not bound to agree to such request.
30. **Treatment of Clients with Fully Disclosed Accounts:** IBCE shall treat the Clients as Retail Clients under the rules set out in the MiFID Regulations unless Clients have been specifically notified in writing to the contrary.
31. **Complaints:** All formal complaints should be made using one of the following means: (i) by WebTicket in Account Management on the IBCE website; (ii) by letter to Complaints Handling, Compliance Department, Interactive Brokers Central Europe Zrt – Madách Imre út 13-14, 1075, Hungary, Budapest; (iii) by email at [IBCEcomplaints@interactivebrokers.com](mailto:IBCEcomplaints@interactivebrokers.com). A summary of the IBCE Internal Complaint Handling Procedures can be found on the IBCE website.
32. **Language:** The Introducing Broker agrees to the provision of this Agreement in English and represents that the Introducing Broker understands all of the terms and conditions contained herein.
33. **Applicable Law; Jurisdiction; Service of Process:** This Agreement and any dispute, action, proceedings or claim of whatever nature arising out of or in connection with this Agreement and/or its formation, validity, existence or termination (including any non-contractual disputes, actions, proceedings or claims) (each a "Dispute") shall be governed by and construed in all respects in accordance with the laws of Hungary.

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- 33.1. For the benefit of IBCE, and subject to clause 4.3, the parties irrevocably agree that the Hungarian courts shall have exclusive jurisdiction to hear, settle and/or determine any Dispute. For these purposes, the Introducing Broker hereby irrevocably and unconditionally submits itself to the jurisdiction of the Hungarian courts and waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any Dispute brought in the Hungarian courts. The Introducing Broker further hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Dispute brought in any such court has been brought in an inconvenient forum.
- 33.2. Nothing in clause 4.2 limits the right of IBCE to bring a Dispute against the Introducing Broker in the courts having jurisdiction in the place where the Introducing Broker has its seat or in any jurisdiction where a harm to IBCE has occurred or is occurring. For these purposes, the Introducing Broker irrevocably and unconditionally agrees to submit itself to the jurisdiction of such courts. The Introducing Broker also waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any Dispute brought in such jurisdiction and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Dispute brought in any such court has been brought in an inconvenient forum.
- 33.3. The Introducing Broker irrevocably and unconditionally agrees to accept service of process regarding any Dispute brought in any court identified above by first class mail or courier service delivered to its address specified above. If the Introducing Broker changes its address it shall notify IBCE immediately and the Introducing Broker shall thereafter accept service of process as specified herein at its new address.
- 33.4. Introducing Broker expressly agrees that, IBCE shall, whenever useful or necessary, be entitled to prove its allegations by any means legally admissible in commercial matters, such as through the use of witness statements or affidavits.
34. **Entire Agreement:** The Parties acknowledge that they have not made any oral or written representations or warranties other than set forth herein. This Agreement supersedes any prior agreement executed by the Parties.
35. **Amendments:** No provision of this Agreement can be waived, altered, modified or amended, on an individual basis, unless such waiver, alteration, modification or amendment is committed to in writing and signed by a duly authorised officer of IBCE and confirmed, in writing, by IBCE's Head of Compliance.
36. **Captions:** Captions are provided herein for convenience only and are not of substantive effect.
37. **Counterparts:** This Agreement may be executed in counterparts, and all counterparts so executed shall constitute one agreement, binding on the Parties hereto, notwithstanding that the Parties are not signatory to the same counterpart.
38. **No Waiver:** The failure of either party to enforce, at any time, or for any period, any one or more of the terms or conditions of this Agreement or to exercise any right, remedy or privilege shall not be a waiver of such terms, conditions, rights, remedies or privileges or of the right, at any time subsequently, to enforce all terms and conditions of this Agreement or to exercise such rights, remedies or privileges. The enumeration in this Agreement of specific remedies available to IBCE shall not be exclusive of any other remedies.
39. **Severability:** If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such unenforceability, and the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected thereby.
40. **Successors and Assigns; Third Party Rights:** This Agreement and all of rights and liabilities hereunder shall be binding upon the Parties' respective successors and permitted assigns. All or part of the rights and obligations of IB IE under this Agreement may be assigned by IBCE to any

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affiliate or to another duly registered broker-dealer or futures commission merchant. No assignment may be made by The Introducing Broker without the prior, written consent of IB IE. All of IBCE's rights and remedies and any limitations on liability hereunder shall inure to the benefit of IBCE's affiliates and they are hereby designated as third party beneficiaries to this Agreement.

41. **Lien:** The Introducing Broker grants IBCE and its affiliates a lien on all property held at any time by IBCE or its affiliates to secure any of the Introducing Broker's indebtedness or obligation to IBCE or its affiliates, and IBCE or its affiliates, without notice to the Introducing Broker, may use, transfer or sell any or all of such property to enforce its lien.
  
42. **Consent to Accept Electronic Communications:** By entering into this Agreement, the Introducing Broker consents to the receipt of electronic records and communications regarding all the Introducing Broker transactions and dealings with IBCE, including confirmations, account statements, messages, and notices of any kind. Electronic records and communications may be sent to the Introducing Broker's Trader Workstation, through a Computer-to-Computer Interface or to the Introducing Broker's email address. The Introducing Broker may withdraw such consent at any time by hard copy letter delivered via Federal Express or other overnight courier to Interactive Brokers Central Europe Zrt, Director of Compliance, Madách Imre út 13-14, 1075, Hungary, Budapest, Hungary.

**EXECUTED AND AGREED:**

CUSTOMER REPRESENTS THAT THE FOREGOING INFORMATION AND ALL OTHER INFORMATION PROVIDED DURING THE ACCOUNT APPLICATION PROCESS IS TRUE AND CORRECT AND AGREES TO NOTIFY IBCE BY EMAIL OF ANY MATERIAL CHANGES THEREIN. CUSTOMER AUTHORIZES IBCE TO CONFIRM THE ACCURACY OF THE INFORMATION AS IT DEEMS NECESSARY.