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**INTERACTIVE BROKERS IRELAND LIMITED**  
**CONSOLIDATED ACCOUNT CLEARING AGREEMENT**

This Consolidated Account Clearing Agreement (including its attached Schedules) ("**Agreement**") is entered into by and between \_\_\_\_\_ ("**Introducing Broker**") and Interactive Brokers Ireland Limited ("**IBIE**").

IBIE is a limited company that is duly organised and existing under the laws of Ireland, with company number 657406 and with its registered office at North Dock One, 91/92 North Wall Quay, Dublin 1 D01 H7V7, Ireland. IBIE is regulated by the Central Bank of Ireland ("**CBI**"). IBIE is included in the CBI's register of regulated financial service providers under number C423427. The CBI's address is New Wapping Street North Wall Quay, North Dock, Dublin, D01 F7X3, Ireland.

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 \_\_\_\_\_.

References in this Agreement to "**you**" or "**your**" are in reference to the Introducing Broker. Any references in this Agreement to "**we**", "**us**" or "**our**" are in reference to IBIE.

WHEREAS, the Introducing Broker desires to maintain one or more consolidated accounts ("**Account**" or "**Consolidated Account**") with IBIE through which the Introducing Broker will effect transactions in specified investment products on behalf of itself and/or its clients ("**Client(s)**") and subject to the terms and conditions of this Agreement;

WHEREAS, IBIE desires to provide execution and clearing services for the transactions effected through such Account(s), 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 Introduction

- A. Relationship between the parties:** 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 or agents of IBIE, nor shall they hold themselves out as such. The Introducing Broker has no authority to make any representations or give any warranties on IBIE's behalf and shall not make any such representations or give any such warranties. The Introducing Broker shall have no authority to bind IBIE or to enter into any agreement, understanding or commitment giving rise to any liability or obligation of IBIE.
- B. Treatment of the Introducing Broker:** IBIE shall treat the Introducing Broker as a "professional client" as defined under the European Union (Markets in Financial Instruments) Regulations 2017, which implemented Directive 2014/65/EU ("**MiFID II Directive**") into Irish law ("**MiFID Regulations**").
- C. Establishment of the Accounts and Approval of Agreement:** IBIE will establish the Consolidated Account(s) for trading of securities, commodities, options and investment products, and other relevant products by the Introducing Broker on behalf of itself or its Clients. The Consolidated Account shall be maintained and utilised by IBIE and the Introducing Broker in conformity with any and 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 ("**Applicable Laws**").

- D. Applicable Consolidated Accounts:** This Agreement shall apply to all Consolidated Account(s) of the Introducing Broker and any separate proprietary accounts of the Introducing Broker.

For the purposes of this Agreement, the term "**MiFID**" is defined to mean the MiFID Regulations, the MiFID II Directive, Commission Delegated Regulation (EU) 2017/565 ("**Delegated Regulation**"), Commission Delegated Directive (EU) 2017/593 ("**Delegated Directive**"), and all other delegated acts arising under the MiFID II Directive, and each as implemented, amended, supplemented or replaced from time to time.

For the purposes of this Agreement, the term "**Client Asset Rules**" is defined to mean the rules and regulations applicable to the safekeeping and custody of financial instruments and client funds, including (but not limited to) the MiFID Regulations, the Delegated Regulation, the Delegated Directive and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2017.

## 2 Allocation of Responsibilities

- A.** The Introducing Broker shall introduce the Introducing Broker's Clients to IBIE on an undisclosed basis through the Consolidated Account, pursuant to the terms and conditions of this Agreement. The Consolidated Account shall be established in the name of the Introducing Broker and the Introducing Broker shall effect all transactions to be executed and cleared by IBIE for the Introducing Broker through the Consolidated Account. The Introducing Broker shall be solely responsible for all aspects of the acceptance and handling of the accounts of the Clients of the Introducing Broker held by the Introducing Broker whose transactions are effected through the Consolidated Account ("**Introducing Broker Client Accounts**"), the acceptance and handling of all orders submitted by the Introducing Broker's Clients, and all regulatory responsibilities and obligations related thereto. Without limiting the generality of the foregoing, certain responsibilities of the parties shall be allocated as set forth below. To the extent that a particular function is allocated to one party under this Agreement, the other party shall supply that party with information in its possession relating to the proper performance and supervision of that function.

**B. Opening, Approval and Monitoring of Introducing Broker Client Accounts:**

- (i) The Introducing Broker shall be solely responsible for the solicitation, opening, approval, and monitoring of all Introducing Broker Client Accounts.
- (ii) The Introducing Broker is solely responsible for ensuring that it or its Clients sign appropriate market data subscription agreements as required for any market data provided to the Introducing Broker or its Clients by IBIE. To the extent that the Introducing Broker requests that IBIE provide market data to any workstation operated by the Introducing Broker or its Clients, the Introducing Broker represents that an appropriate market data subscription agreement has been executed and the Introducing Broker acknowledges that IBIE will deduct market data fees as appropriate. The Introducing Broker will provide executed market data agreements upon request of IBIE or any market data provider.
- (iii) Where the Introducing Broker is authorised and regulated by a National Competent Authority of a European Union Member State, the Introducing Broker, and not IBIE, shall be solely and fully responsible for classifying all of the Introducing Broker's Clients as "retail clients" or "professional clients" according to the rules set out in MiFID. Where applicable, the Introducing Broker is solely responsible for collecting the required documentation and following the applicable regulatory process for the Introducing Broker Clients' classification to be conducted according to MiFID.

**C. Required Disclosures:** The Introducing Broker shall be solely responsible for providing the Introducing Broker's Clients with any disclosures required under the Applicable Laws of its home country. The Introducing Broker, and not IBIE, shall be solely responsible for delivering any applicable Key Information Document ("**KID**") to Introducing Broker's Clients in good time before submitting Clients' orders for Packaged Retail and Insurance-Based Investment Products ("**PRIIPs Products**"). For every order submitted to IBIE for PRIIPs Products, the Introducing Broker represents and warrants that:

- (i) A KID has been provided to the Introducing Broker's Client in good time prior to the submission of the order; or
- (ii) Where applicable, the Introducing Broker's Client is a professional client (under MiFID) to whom no KID is required to be provided; or
- (iii) Under MiFID and/or the applicable regulations regarding PRIIPs, no KID is required to be provided to the Introducing Broker's Client based on the law and the circumstances surrounding the Introducing Broker's Client.
- (iv) Separate and apart from the representations in this Clause, the Introducing Broker additionally represents and warrants that to the extent that the Introducing Broker designates (verbally or in writing or electronically) a particular PRIIPs order, or a particular subaccount for which a PRIIP will be traded, as being for an Introducing Broker's Client that is a professional client under MiFID, such designation is true and accurate and the Introducing Broker has fully complied with MiFID in classifying such Introducing Broker's Client.
- (v) The Introducing Broker shall be solely responsible for assessing whether a KID should be delivered to the Introducing Broker's Clients and for identifying the KID applicable to the PRIIPs Product for which the order is submitted.

**D. Investment Advice:** Representatives of IBIE 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 IBIE or on IBIE's website constitutes a recommendation by IBIE 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, appropriateness and "know your customer" requirements.

**E. Receipt, Segregation, and Safeguarding of Client Funds and Extension of Credit:**

- (i) IBIE will treat the Introducing Broker's Consolidated Account as an IBIE Client account and will segregate funds, securities, and other property as detailed in Schedule 1. The Introducing Broker acknowledges that any separate accounts that may be used to hold any proprietary funds and position of the Introducing Broker and that is identified as a proprietary account of the Introducing Broker will be treated as a separate Sub-Account for the purpose of the segregation of money and assets as detailed in Schedule 1.
- (ii) The Introducing Broker shall be solely responsible for satisfying its obligations under the Applicable Laws for segregating its Clients' funds, securities, and other property. The Introducing Broker shall be solely responsible for satisfying its obligations under the Applicable Laws relating to receiving, safeguarding and delivering of funds and securities of the Introducing Broker's Clients. No Client of the Introducing Broker shall submit any funds, securities, or other property directly to IBIE.

- (iii) IBIE shall be responsible for extending credit to the Consolidated Account, collecting margin from the Account, and determining and enforcing credit or margin limits applicable to the Account in accordance with Applicable Laws. As an administrative service to Introducing Broker, IBIE may establish sub-accounts of the Introducing Broker's Consolidated Account ("**Sub-Account**" or "**Sub-Accounts**"), with each Sub-Account to be used for trading of an Introducing Broker Client Account. Separate accounts may be established to hold any proprietary funds and positions of the Introducing Broker. Solely as an administrative service to Introducing Broker, IBIE may provide risk management services by providing the ability to impose automated credit, margin or trading limits in the Sub-Accounts. IBIE does not warrant the operation of any risk management controls provided to the Introducing Broker and the Introducing Broker remains responsible for enforcing applicable credit, margin or trading limits applicable to its Clients and for collecting margin from the Introducing Brokers' Clients. IBIE may limit the number of Sub-Accounts established in the consolidated margin account.
- (iv) IBIE shall credit each Sub-Account with the credit interest owed in accordance with the credit interest terms and rates then set forth on the IBIE website, as modified by any credit interest markdown set by the Introducing Broker. IBIE shall deduct the debit interest owed in each Sub-Account in accordance with the debit interest terms and rates then set forth on the IBIE website, as modified by any credit interest markup set by the Introducing Broker.

#### **F. Acceptance and Submission of Orders and Instructions**

- (i) The Introducing Broker may accept orders of its Clients, including through an electronic mechanism made available by IBIE to the Introducing Broker, and submit such orders to IBIE. The Introducing Broker represents and warrants that all orders entered in any Client Sub-Account are for the benefit of its Clients and not for the benefit of the Introducing Broker or another broker or dealer.
- (ii) It is the sole and exclusive responsibility of the Introducing Broker to ensure that any orders and instructions submitted to the IBIE electronic brokerage system by the Introducing Broker, or any of its employees or agents, or any of its Clients, for the Consolidated Account(s) shall be properly authorised. The Introducing Broker acknowledges that IBIE is unable to know whether someone other than the Introducing Broker has entered, or is entering, orders into the IBIE brokerage system using usernames and passwords provided by IBIE. Unless otherwise specified to and agreed by IBIE in writing, the Introducing Broker will not permit any person to enter orders or instructions into the IBIE brokerage system for any purpose. The Introducing Broker shall be solely responsible for the confidentiality and use of, any Client orders entered with, usernames and passwords provided to the Introducing Broker by IBIE. The Introducing Broker agrees to report any loss or theft of IBIE usernames or passwords, or any unauthorised access to the Consolidated Account(s), immediately by e-mail to IBIE Customer Service at [help@interactivebrokers.com](mailto:help@interactivebrokers.com). However, the Introducing Broker shall remain responsible for all orders and instructions entered using usernames and passwords provided by IBIE to the Introducing Broker.
- (iii) IBIE will be responsible for screening orders to make sure that such orders are within the risk management limits for the relevant Sub-Account. Notwithstanding this, however, the Introducing Broker remains responsible for all trades executed in the Consolidated Account.

**G. Transmission and Execution of Orders, Clearing and Settlement:** IBIE will receive and execute orders (directly or by transmitting them to an affiliate or a third party or to a market centre for execution) and will clear and settle transactions for the Introducing Broker through the Consolidated Account, pursuant to the terms and conditions of this Agreement. IBIE will not have any obligation to settle contracts and transactions: (1) between the Introducing Broker and other brokers and dealers; (2) between the Introducing Broker and its Clients; (3) between the Introducing Broker and third persons; or (4) between the Introducing Broker and any agency, regulatory and self-regulatory organisations, and exchanges. The Introducing Broker will be solely responsible for the transmission to the IBIE system of orders for Consolidated

Accounts and for any errors in the transmission of such orders to IBIE. Where you place a client limit order with us in shares which are admitted to trading on a regulated market or traded on a trading venue and that order is not immediately executed under prevailing market conditions, **you expressly instruct us not to immediately make the order public.**

**H. Confirmations and Account Statements:** The Introducing Broker shall be solely responsible for providing confirmations and account statements to the Introducing Broker's Clients, including the statement detailing the aggregated amount of costs and charges received by the Introducing Broker in relation to the services provided by the Introducing Broker to its Clients.

**I. Maintenance of Books and Records:** The Introducing Broker shall be solely responsible for maintaining required books and records in connection with all the Introducing Broker Client Accounts and transactions contemplated by this Agreement or involving the Introducing Broker's Clients, in accordance with generally accepted practices in the securities or futures industry, as applicable, and in compliance with Applicable Laws.

**J. Responsibility for Compliance:**

- (i) The Introducing Broker shall be solely responsible for compliance with "Appropriateness", "Know Your Customer" (including anti-money laundering and counter-terrorist financing requirements), "MiFID Client Classification" and all other rules, regulations, and requirements of the jurisdictions, regulatory and self-regulatory organisations, and exchanges applicable to the transactions and accounts under this Agreement, the Introducing Broker Client Accounts, and any of the Introducing Broker's activities that involve Introducing Broker's Clients. Possession by IBIE of surveillance records, exception reports or similar data shall not obligate IBIE to establish procedures for dealing with such material or to review or be aware of its contents. IBIE shall not be required to make any investigation into the facts surrounding any transaction that it may execute or clear for the Introducing Broker.
- (ii) If IBIE determines in its sole discretion that IBIE requires identifying information for any of the Introducing Broker's Clients, for example to comply with a regulatory request or obligation, for tax reporting purposes, to investigate suspicious activity, to protect the integrity of its systems or for any other reason, the Introducing Broker shall promptly provide the identity of the Client responsible for any (or all) Sub-Account, transaction or order and/or the Client's name, address, birth date, tax ID, telephone number, e-mail address and any other identifying information requested by IBIE along with documentary evidence of the foregoing.
- (iii) IBIE reserves the right to nullify, rescind, reject or adjust any order or transaction, or to take any other action that IBIE determines is necessary, in its sole discretion, in response to potentially fraudulent, illegal or otherwise improper activity in the Consolidated Account(s) or to otherwise comply with Applicable Laws.

**K. Client Support:** The Introducing Broker shall be solely responsible for providing customer service and technical support to the Introducing Broker's Clients.

**L. Reporting by the Introducing Broker**

- (i) **Client Lists:** The Introducing Broker shall maintain a list of those Clients of the Introducing Broker whose transactions are effected through the Consolidated Account. Upon the request of the IBIE Compliance Department, the Introducing Broker shall immediately provide IBIE with the names, addresses, positions, and transactions of those Clients of the Introducing Broker whose transactions are or have been effected through the Consolidated Account.

- (ii) **Disciplinary Action, Suspension, or Restriction:** 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) that allege any material 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 or (2) that, if decided, would have a material, adverse effect on the ability of the Introducing Broker to fulfil its obligations under this Agreement. The Introducing Broker shall immediately notify IBIE 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 materially and adversely affect the Introducing Broker's ability to fulfil its obligations hereunder, and shall promptly provide to IBIE a copy of any decision relating to such disciplinary action, suspension, or restriction. Introducing Broker also shall immediately notify IBIE of any other restriction on its activities with respect to the Consolidated Account, Introducing Broker Client Accounts, or the Introducing Broker's Clients. In either of these events, IBIE 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 IBIE by any agency, regulatory or self-regulatory organisation, or exchange.
- (iii) **Regulatory Requests for Information:** The Introducing Broker shall comply with all appropriate requests for information from any agency, including law enforcement, regulatory or self-regulatory organisation, or exchange regarding any activities of Introducing Broker that involve the Consolidated Account, the Introducing Broker Client Accounts, or the transactions effected thereunder; or the Introducing Broker's Clients.
- (iv) **Target Market:** Where the Introducing Broker is authorised and regulated by a National Competent Authority of a Member State in the European Union, the Introducing Broker shall identify a specific target market for any financial instrument where a generic target market has been established according to MiFID, and ensure that orders in those financial instruments are only submitted on behalf of Clients' that are compatible with the specific target market. For financial instruments where the generic target market has been established by IBIE, the Introducing Broker shall report to IBIE on an annual basis the following information: (a) information on sales made outside the specific target market; (b) summary information of complaints received from Clients in relation to the financial instruments; and (c) any other information IBIE may reasonably request.

### 3 Representations and Warranties

- A. The Introducing Broker represents and warrants 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 IBIE; (2) enter into this Agreement; (3) engage in the securities, options, futures, and other investment transactions to be effected through the Consolidated 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.
- B. The Introducing Broker represents and warrants that all information provided by the Introducing Broker to IBIE in the Consolidated Account application and during the account approval process is true and correct.
- C. The Introducing Broker represents and warrants that the Introducing Broker and its officers, directors and employees are and will remain for the duration of this Agreement properly registered, licensed, approved or authorised (unless such persons are not required to be so registered, licensed, approved or authorised), under Applicable Laws. The Introducing Broker shall immediately notify IBIE of any material changes, or proposed material changes, in any of

its regulatory or self-regulatory organisation registrations, licensures, authorisations, or memberships.

- D. The Introducing Broker represents and warrants 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 to IBIE.

## 4 Order Execution

- A. **Order Routing and Best Execution:** Unless otherwise directed by the Introducing Broker, the Introducing Broker agrees to IBIE executing orders in accordance with the terms of its Order Execution Policy. If the Introducing Broker instructs IBIE to direct an order to a particular market centre, the Introducing Broker assumes sole responsibility for such order. When executing an order, IBIE will take all sufficient steps to deliver the best possible result, but it cannot guarantee delivery of best execution on every single order executed on behalf of the Introducing Broker: other dealers/markets may have better prices, IBIE may not have access to every dealer/market; other orders may trade ahead of the Introducing Broker; dealers or market centres may not honour posted prices; or market/dealer rules, decisions or system failures may prevent/delay execution of orders or cause orders not to receive the best possible outcome. A summary of IBIE's Order Execution Policy has been published on the IBIE website under 'Forms and Disclosures'. You consent to receiving a copy of our Order Execution Policy in this way. **You expressly consent and agree to: (a) the terms of our Order Execution Policy; and (b) your orders being executed in accordance with the Order Execution Policy. You expressly consent and agree to IBIE executing orders outside of a trading venue (i.e. outside of a regulated market, multilateral trading facility or organised trading facility) in certain circumstances, as is permitted under the terms of the Order Execution Policy.** In accordance with requirements under MiFID, each year IBIE will publish information on the top five execution venues IBIE has used in terms of trading volumes for classes of products. The information will be published on the IBIE website under 'Forms and Disclosures'.
- B. **Order Execution:** Unless otherwise agreed between the parties, IBIE shall act as agent for the account of the customer in respect of transactions executed on an exchange, regulated market or trading platform. Otherwise and where agreed between the parties, IBIE shall act as riskless principal in its own name and for its own account in over the counter (OTC) transactions. IBIE may utilise another executing broker, including but not limited to an affiliate, to execute the Introducing Broker orders. Such executing brokers shall have the benefit of all of IBIE's rights and remedies hereunder. Subject to Applicable Laws, the Introducing Broker specifically authorises IBIE, its affiliates, or their brokers, to act as buyers with respect to orders given by the Introducing Broker to IBIE to sell for the Introducing Broker's Account, or as sellers with respect to orders given by the Introducing Broker to IBIE to buy for the Introducing Broker's Account. Orders to sell (buy) a product when the Introducing Broker has a long (short) position will be construed as orders to close out the long (short) position in the amount of the sell (buy) order, and if the size of the sell (buy) order exceeds the long (short) position, it will be construed as an order to close the entire position and open a short (long) position in the remaining amount of the order. IBIE may decline any Introducing Broker order or terminate this Agreement and/or the Introducing Broker's use of the facilities and services provided by IBIE for the transmission and execution of Introducing Broker orders ("**Interactive System**") at any time in IBIE's sole discretion. All transactions effected through IBIE are subject to Applicable Laws. IN NO EVENT SHALL IBIE BE LIABLE TO THE INTRODUCING BROKER OR ITS CLIENTS FOR ANY ACTION, INACTION, DECISION OR RULING OF ANY EXCHANGE, MARKET, CLEARING HOUSE OR REGULATORY AUTHORITY.
- C. Where IBIE, on behalf of a client, accepts an order, or executes a transaction, by accessing external execution venues (including third party Systematic Internalisers (as defined under MiFID), as agent or as riskless principal, IBIE accepts the order, or executes the transaction, as an executing broker and not as a Systematic Internaliser (as defined under MiFID).



- D. Order Cancellation and Modification:** Once an order or instruction has been given to IBIE, it cannot be cancelled or modified without IBIE's consent. The Introducing Broker acknowledges that it may not be possible to cancel/modify an order and that it is responsible for executions notwithstanding a cancel/modify request. IBIE shall have no responsibility for any orders or instructions that were entered by the Introducing Broker's authorised users, including anyone with access to a Sub-Account, in error and notwithstanding such error IBIE shall be entitled to process them accordingly.

## 5 Confirmations

- A.** IBIE may elect to confirm the execution or cancellation of any Introducing Broker order by the sole method of transmitting an electronic confirmation to Introducing Broker via e-mail or through the Interactive System. The Introducing Broker agrees to accept electronic trade confirmations in lieu of printed confirmations.
- B.** IBIE will provide, to the Introducing Broker: (i) no later than the first business day following execution of order by IBIE or on the first business day following the confirmation of execution/cancellation by an affiliate, confirmations of order executions or cancellations; (ii) periodic statements, at least monthly; (iii) information as to where financial instruments or funds may be held; (iv) a summary statement of costs and charges, at least annually; and (v) an illustration of the cumulative effect of costs on returns, at least annually.
- C.** The Introducing Broker agrees to monitor each open order until IBIE confirms an execution or cancellation of the order to the Introducing Broker. Confirmations may be subject to delays. The Introducing Broker understands that reports and confirmations of order executions or cancellations may be erroneous for various reasons, including, but not limited to, cancellation or adjustment by an exchange. Confirmations also are subject to change by IBIE, in which case the Introducing Broker shall be bound by the actual order execution, so long as it is consistent with the order. In the event that IBIE confirms an execution or cancellation in error and the Introducing Broker unreasonably delays in reporting such error, IBIE reserves the right to require Introducing Broker to accept the trade, or remove the trade from the Introducing Broker's account, in IBIE's sole discretion.
- D.** The Introducing Broker agrees to notify IBIE immediately by telephone, or by e-mail to IBIE Customer Service at [help@interactivebrokers.com](mailto:help@interactivebrokers.com), if:
- (i) The Introducing Broker fails to receive an accurate confirmation of an execution or cancellation;
  - (ii) The Introducing Broker receives a confirmation that is not consistent with the order;
  - (iii) The Introducing Broker receives confirmation of execution or cancellation of an order that Introducing Broker did not place; or
  - (iv) The Introducing Broker receives an account statement, confirmation, or other information reflecting inaccurate orders, trades, account balances, securities or futures positions, funds, margin status, or transaction history.
- E.** The Introducing Broker understands and agrees that IBIE may adjust the Introducing Broker's Account to correct any error. The Introducing Broker agrees to promptly return to IBIE any assets distributed to Introducing Broker to which Introducing Broker was not entitled.
- F. Proprietary Trading - Display of the Introducing Broker Orders:** Subject to Applicable Laws and compliance with IBIE's Order Execution Policy, the Introducing Broker authorises IBIE to engage in proprietary trading, and to execute the proprietary trades of its affiliates, even though IBIE may simultaneously hold unexecuted Introducing Broker orders for the same products which could be executed at the same price; and the Introducing Broker authorises IBIE to

disclose the Introducing Broker orders to others, including IBIE's affiliates and brokers, to disseminate quotes; and to facilitate the execution of such orders.<sup>1</sup>

## 6 Particular Products or Orders

- A. Options and Other Rights' Expiration:** Prior to the start of the last trading day before expiration, the Introducing Broker agrees to liquidate (i.e. close out) any long (or short) option position or other rights position (including but not limited to equity options, ETF options and non-cash settled futures options) that an Account or Sub-Account holds for which the Account or Sub-Account has insufficient equity or may have insufficient equity at expiration to exercise (or be assigned on) such position and to then carry the resulting underlying position. The Introducing Broker acknowledges that approaching expiration with long or short options for which an Account or Sub-Account does not or may not have sufficient equity to hold the underlying position puts the Introducing Broker and IBIE at serious risk (including the risk of market movements in the underlying product between expiration and the next opening of the market in the product). If the Introducing Broker has not closed out a long or short option or other rights position prior to the start of the last trading day before expiration, and if IBIE in their sole discretion determines that an Account or Sub-Account has or may have insufficient equity to hold the underlying position upon expiration, IBIE has the right, in its sole discretion, to do any or all of the following and Introducing Broker and its Clients shall have no claim for damages or lost profits resulting from any or all of the following: a) IBIE may liquidate some or all of the options or rights position prior to expiration; and/or b) IBIE may lapse some or all of the options (i.e. instruct that they not be exercised), even if in-the-money at expiration; and/or c) IBIE may allow some or all of the options to be exercised/assigned and then may liquidate some or all of the resulting position.
- B. Commodity Options:** The Introducing Broker acknowledges and agrees that commodity option contracts may not be exercised and must be closed out by offset. Except for cash-settled commodity options, if the Introducing Broker has not offset commodity options contract positions at least one (1) day prior to the close of trading prior to final settlement, IBIE is authorised to do so, or to sell any position into which the option position is converted upon expiration, or to otherwise liquidate the resulting positions, and credit or debit the Introducing Broker's Account accordingly. The Introducing Broker shall pay IBIE for all costs and expenses related to such liquidations and shall hold IBIE harmless for any actions taken, or not taken, in connection therewith.
- C. Close-Out Deadline for Futures Contracts Not Settled in Cash:**
- (i) For futures contracts that are not settled in cash but are settled by actual physical delivery of the underlying commodity (including those foreign currency contracts that call for actual delivery of the physical currency and are not on the Deliverable Currency List maintained by IBIE), the Introducing Broker may not make or receive delivery of the underlying commodity. For long positions not settled in cash, the Introducing Broker agrees to roll forward or close-out the position by offset three (3) business days prior to the exchange-specified first notice day (the long "Close-Out Deadline"). For short positions not settled in cash, Introducing Broker agrees to roll forward or close-out the position by offset three (3) business days prior to the exchange-specified last trade day (the short "Close-Out Deadline"). It is the Introducing Broker's responsibility to make itself aware of the Close-Out Deadlines. If the Introducing Broker has not closed out any position in a futures contract not settled in cash by the Close-Out Deadline, IBIE has the right to liquidate the position in the expiring contract. If the Introducing Broker fails to close out a futures position and IBIE is unable to close out the position prior to the expiration of the contract, then the Introducing Broker shall be liable for any and all costs of delivery and liquidation of the resulting physical currency position.

- (ii) Most foreign currency contracts call for actual delivery of the physical currency. IBIE will only make or receive delivery of the currency contracts that are specified in the Deliverable Currency List maintained by IBIE. This is an automatic process and the Introducing Broker must close out positions prior to the settlement date if the Introducing Broker does not wish to make or receive delivery.

#### D. Position Limits:

- (i) The Introducing Broker agrees that IBIE, in its sole discretion, may establish position limits for the Account or Sub-Accounts and may limit the number of open positions (net or gross) that the Introducing Broker may execute, clear and/or carry with or acquire through IBIE. The Introducing Broker agrees (i) not to enter into any transaction that would have the effect of exceeding such position limits, (ii) that IBIE may at any time reduce open positions by issuing closeout or offsetting trades, or require the Introducing Broker to reduce open positions carried with IBIE, and (iii) that IBIE may refuse for any reason to accept orders to establish new positions. IBIE may impose and enforce such limits, reduction or refusal whether or not the same are required by Applicable Laws.
- (ii) The Introducing Broker shall comply with all position limits established by any regulatory or self-regulatory organisation or by any exchange. In addition, the Introducing Broker agrees to notify IBIE promptly if the Introducing Broker is required to file position reports with any regulatory or self-regulatory organisation or with any Exchange and agrees to promptly provide IBIE with copies of any such position reports. IBIE expressly disclaim any liability for any losses incurred by Introducing Broker relating to Introducing Broker approaching exceeding any position limits established by IBIE or by any regulatory or self-regulatory organisation or by any exchange. The Introducing Broker understands that IBIE shall not have any obligation, and is in no way agreeing, to monitor on behalf of the Introducing Broker any of the trading activities of the Introducing Broker and/or compliance by the Introducing Broker with any position limits established by IBIE or by any regulatory or self-regulatory organisation or by any exchange.

#### E. Contracts for Differences:

- (i) Contracts for differences (“**CFD**” or “**CFDs**”) are contracts between the Introducing Broker and IBIE that are not traded on a regulated exchange and are not cleared or settled at a central clearing house. A CFD secures a profit or avoids a loss by reference to fluctuations in the price of the underlying product (e.g. shares, foreign currencies, etc.), rather than by taking delivery of any underlying product.
- (ii) IBIE will face the Introducing Broker in a CFD trade. The Introducing Broker’s own clients will in turn face the Introducing Broker in a CFD trade. Before the Introducing Broker applies for CFD trading permissions for a Sub-Account, the Introducing Broker will enter into an agreement with its Clients containing all provisions required to trade its CFDs.
- (iii) Where the Introducing Broker is authorised and regulated by a National Competent Authority of a Member State of the European Union, and the Introducing Broker has applied for CFD trading permissions for a Sub-Account that it has classified as retail according to MiFID (“**Retail Account**”), the Introducing Broker is solely responsible for following the applicable European Union laws and regulations (including national product intervention measures relating to CFDs as implemented by competent authorities in EU Member States) (“**CFD Measures**”) in accordance with Schedule 2.
- (iv) Where the Introducing Broker has applied for CFD trading permissions for a Sub-Account that it has classified as professional under MiFID (“**Professional Account**”) and in all other cases, CFD trading will take place in accordance with the provisions applicable to professional clients set out in Schedule 2.

- (v) Solely as an administrative service to the Introducing Broker, IBIE may agree to provide risk management services by monitoring that any CFD trading in the Retail Accounts is in accordance with the CFD Measures ("**Retail-Account ESMA Risk Management Requirements**"). In such case, IBIE will debit and credit cash flows from CFD transactions directly in the Sub-Accounts.
- (vi) THE INTRODUCING BROKER REMAINS SOLELY LIABLE FOR ALL OBLIGATIONS ARISING IN THE CONSOLIDATED ACCOUNT AND IN ANY SUB-ACCOUNTS WHETHER SUCH SUB-ACCOUNTS ARE RETAIL ACCOUNTS OR PROFESSIONAL ACCOUNTS AND IRRESPECTIVE OF WHETHER OR NOT THE INTRODUCING BROKER IS SUBJECT TO THE CFD MEASURES. NOTWITHSTANDING IBIE'S PROVISION OF ESMA RISK MANAGEMENT SERVICES FOR THE RETAIL ACCOUNTS, THE INTRODUCING BROKER IS SOLELY RESPONSIBLE FOR ENFORCING THE CFD MEASURES. THE INTRODUCING BROKER REMAINS LIABLE FOR THE NEGATIVE EQUITY PROTECTION AFFORDED TO RETAIL ACCOUNTS AND WILL MAKE GOOD ANY NEGATIVE BALANCE THAT MAY ARISE IN ANY RETAIL ACCOUNT. IBIE DOES NOT PROVIDE ANY WARRANTY OR REPRESENTATION REGARDING THE ESMA RISK MANAGEMENT SERVICES AND THE INTRODUCING BROKER REMAINS LIABLE FOR ALL OBLIGATIONS ARISING FROM ANY CFD TRADE OR POSITION IN THE CONSOLIDATED ACCOUNT. IBIE SHALL HAVE NO LIABILITY FOR FAILURE TO ENFORCE RETAIL-ACCOUNT ESMA RISK MANAGEMENT REQUIREMENTS OR FOR ACCEPTANCE OF ORDERS IN VIOLATION OF SUCH REQUIREMENTS IBIE will charge any such debit in a Sub-Account to the Introducing Broker's master account.

**F. Price Quotations, Market Information, Research and Internet Links:** Price quotations, market information, news, research and any other information accessible through the IBIE website or other IBIE services or facilities ("**Information**") may be prepared by exchanges or information providers ("**Providers**") that are independent of IBIE. Neither IBIE nor the Providers guarantee the accuracy, timeliness, or completeness of the Information. RELIANCE ON QUOTES, DATA OR OTHER INFORMATION IS AT INTRODUCING BROKER'S OWN RISK. IN NO EVENT WILL IBIE OR THE PROVIDERS BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES ARISING FROM USE OF THE INFORMATION. THERE IS NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION, INCLUDING WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR USE, OR WARRANTY OF NON-INFRINGEMENT. IBIE IS NOT RESPONSIBLE FOR DETERMINING WHETHER INTRODUCING BROKER IS ENTITLED TO RECEIVE OR SUBSCRIBE TO ANY RESEARCH SERVICES LISTED ON THE IBIE WEBSITE OR FOR DETERMINING INTRODUCING BROKER COMPLIANCE WITH APPLICABLE RULES IN RELATION TO RESEARCH SERVICES. INTRODUCING BROKER UNDERTAKES TO NOTIFY IBIE IF INTRODUCING BROKER CONSIDERS NOT TO BE ENTITLED TO ACCEPT AND RETAIN ANY OF THE RESEARCH SERVICES LISTED ON THE IBIE WEBSITE. Subscription to research services is subject to the charges disclosed on the IBIE website. The Introducing Broker may pay for the subscription directly from Introducing Broker's own resources, from a separate research payment account, or otherwise permitted under Applicable Laws.

## 7 Margin and Related Provisions

- A. Marginable Securities and Futures Trades:** IBIE will extend credit to the Introducing Broker through the Consolidated Account consistent with Applicable Laws.
- B. Sub-Accounts and Risk Management Services:**
  - (i) The Introducing Broker shall be solely responsible for extending credit to the Introducing Broker's Clients, collecting margin from such Clients and determining and enforcing credit, margin or trading limits applicable to its Clients, in accordance with Applicable Laws.

- (ii) As an administrative service to Introducing Broker, IBIE will establish Sub-Accounts of the Introducing Broker's Consolidated Account. Solely as an administrative service to the Introducing Broker, IBIE will provide risk management services by imposing IBIE's standard margin requirements upon the Sub-Accounts ("**Sub-Account Risk Management Requirements**"). Notwithstanding this administrative service, the Introducing Broker remains solely responsible for enforcing applicable credit, margin or trading limits applicable to its Clients, and IBIE's sole obligation under Applicable Laws is to ensure that the Consolidated Account, as a whole, satisfies margin requirements applicable to accounts held by IBIE.
- (iii) NOTWITHSTANDING IBIE'S PROVISION OF RISK MANAGEMENT SERVICES FOR THE SUB-ACCOUNTS, INTRODUCING BROKER REMAINS SOLELY LIABLE FOR ALL OBLIGATIONS IN THE CONSOLIDATED ACCOUNT AND IN ANY SUB-ACCOUNT. IBIE DOES NOT PROVIDE ANY WARRANTY OR REPRESENTATION REGARDING THE RISK MANAGEMENT SERVICES AND INTRODUCING BROKER REMAINS LIABLE FOR ALL OBLIGATIONS ARISING FROM ANY TRADE OR POSITION IN THE CONSOLIDATED ACCOUNT, EVEN IF SUCH TRADE OR POSITION RESULTED FROM A CLIENT ORDER EXECUTED BY IBIE IN EXCESS OF RISK LIMITS (I.E. AT A TIME WHEN THE SUB-ACCOUNT HAD INSUFFICIENT FUNDS TO SATISFY THE SUB-ACCOUNT RISK MANAGEMENT REQUIREMENTS). IBIE SHALL HAVE NO LIABILITY FOR FAILURE TO ENFORCE SUB-ACCOUNT RISK MANAGEMENT REQUIREMENTS; FOR ACCEPTANCE OF ORDERS IN VIOLATION OF SUCH REQUIREMENTS; OR FOR FAILURE TO LIQUIDATE POSITIONS IN A SUB-ACCOUNT THAT HAS AN INSUFFICIENT BALANCE TO SATISFY SUCH REQUIREMENTS.

**C. Notification of Risks of Margin Trading:** The Introducing Broker assumes sole responsibility for notifying its Clients of the risks of margin trading, consistent with all Applicable Laws.

**D. Requirement to Maintain Sufficient Margin:**

- (i) Margin transactions are subject, at all times, to the initial margin and maintenance margin requirements (the "**Margin Requirements**") established by IBIE or the applicable exchange, whichever is greater. The Introducing Broker shall monitor the Account so that at all times, without notice or demand, it shall contain a sufficient balance to meet the applicable Margin Requirements. IBIE may reject any order if the Introducing Broker does not have a sufficient account balance to meet Margin Requirements and may delay the processing of any order while determining the correct margin status of the Account.
- (ii) IBIE may modify Margin Requirements for open and new positions, at any time, in IBIE's sole discretion. The margin required by IBIE may exceed the margin required by any exchange or clearing house. In addition, IBIE's house margin requirements or risk control parameters may include leverage ratio limits or position size limits for securities, commodities, currencies or other products (for example, IBIE limits the ratio by which the gross position value of the account may exceed the equity of the account and limits the ratio by which unsettled currency transactions may exceed account equity). These limits address situations in which there may be little or no apparent market risk in holding a position but there may be excessive settlement or other risk. If these limits are reached or exceeded, Account or Sub-Accounts may not be able to engage in new trades and existing positions may be liquidated without notice (see Clause 7F below).

- (iii) The market values/prices used to compute the equity in Account or Sub-Account, and/or to compute the Margin Requirements, shall be determined in IBIE's sole discretion and may differ from the values/prices disseminated by exchanges or other market data sources. Among other things, IBIE may calculate its own index values, Exchange Traded Fund ("ETF") values or derivatives values, and IBIE shall have sole discretion whether to value securities or futures or other investment products based on bid price, offer price, last sale price, midpoint or using some other method). The Introducing Broker acknowledges that IBIE may use a valuation methodology that is more conservative than the marketplace as a whole and that this may effectively constitute a higher "house" Margin Requirement, which IBIE has a right to establish.

**E. IBIE Generally Will Not Issue Margin Calls:**

- (i) IBIE has no obligation to notify the Introducing Broker or the Introducing Broker's Clients of any failure to meet Margin Requirements in the Consolidated Account prior to IBIE exercising its rights and remedies under this Agreement. The Introducing Broker understands that IBIE generally will not issue margin calls, that IBIE generally will not credit the Account to meet intraday margin deficiencies; and that IBIE is authorized to liquidate positions (or add risk-reducing positions) in the Account in order to satisfy Margin Requirements without prior notice to the Introducing Broker.
- (ii) In performing risk management services for the Introducing Broker in connection with the Sub-Accounts, IBIE has no obligation to notify the Introducing Broker or the Introducing Broker's Clients (whose identities are unknown to IBIE) of any failure to meet the Sub-Account Risk Management Requirements. IBIE will not issue calls; IBIE generally will not credit the Sub-Account to meet deficiencies, and IBIE is authorized to liquidate positions in the Sub-Account (or add risk-reducing positions) in order to satisfy the Sub-Account Risk Management Requirements without prior notice to the Introducing Broker or its Clients.

**F. Liquidation of Positions and Offsetting Transactions:**

- (i) IN THE EVENT THAT THE CONSOLIDATED ACCOUNT HAS ZERO EQUITY OR IS IN DEFICIT AT ANY TIME, OR THE ACCOUNT DOES NOT HAVE A SUFFICIENT ACCOUNT BALANCE TO MEET MARGIN REQUIREMENTS, OR IF THE ACCOUNT EXCEEDS LEVERAGE LIMITS OR POSITION SIZE LIMITS IBIE SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, IN ITS SOLE DISCRETION, TO LIQUIDATE ALL OR ANY PART OF THE POSITIONS IN ANY ACCOUNTS (OR ADD RISK-REDUCING POSITIONS) OF ANY KIND HELD BY INTRODUCING BROKER WITH IBIE WHETHER SUCH ACCOUNTS ARE CONSOLIDATED ACCOUNTS, FULLY DISCLOSED ACCOUNTS, OR INTRODUCING BROKER'S PROPRIETARY ACCOUNTS, AT ANY TIME AND IN SUCH MANNER AND IN ANY MARKET AS IBIE DEEMS NECESSARY, WITHOUT PRIOR NOTICE OR MARGIN CALL TO THE INTRODUCING BROKER. THE INTRODUCING BROKER AGREES TO BE RESPONSIBLE FOR, AND PROMPTLY PAY TO IBIE ANY DEFICIENCIES IN ANY ACCOUNT THAT ARISE FROM SUCH LIQUIDATION OR REMAIN AFTER SUCH LIQUIDATION. IBIE WILL NOT HAVE ANY LIABILITY TO THE INTRODUCING BROKER FOR ANY LOSSES OR DAMAGES SUSTAINED BY THE INTRODUCING BROKER IN CONNECTION WITH SUCH LIQUIDATIONS (OR IF THE INTERACTIVE SYSTEM EXPERIENCES A DELAY IN EFFECTING, OR DOES NOT EFFECT, SUCH LIQUIDATIONS) EVEN IF INTRODUCING BROKER SUBSEQUENTLY RE-ESTABLISHES POSITIONS AT A LESS FAVORABLE PRICE.

- (ii) IN PERFORMING RISK MANAGEMENT SERVICES FOR THE INTRODUCING BROKER IN CONNECTION WITH THE SUB-ACCOUNTS, IN THE EVENT THAT A SUB-ACCOUNT HAS ZERO EQUITY OR IS IN DEFICIT AT ANY TIME, OR THE SUB-ACCOUNT DOES NOT HAVE A SUFFICIENT ACCOUNT BALANCE TO MEET THE SUB-ACCOUNT RISK-MANAGEMENT REQUIREMENTS, OR IF THE ACCOUNT EXCEEDS LEVERAGE LIMITS OR POSITION SIZE LIMITS, IBIE SHALL HAVE THE RIGHT, IN ITS SOLE DISCRETION, BUT NOT THE OBLIGATION, TO LIQUIDATE ALL OR ANY PART OF THE POSITIONS IN THE SUB-ACCOUNT (OR ADD RISK-REDUCING POSITIONS), AT ANY TIME AND IN SUCH MANNER AND IN ANY MARKET AS IBIE DEEMS NECESSARY, WITHOUT PRIOR NOTICE OR "CALL" TO THE INTRODUCING BROKER OR INTRODUCING BROKER'S CLIENTS (WHOSE IDENTITIES ARE UNKNOWN TO IBIE). INTRODUCING BROKER AGREES TO BE RESPONSIBLE FOR, AND PROMPTLY PAY TO IBIE, ANY DEFICIENCIES IN ANY SUB-ACCOUNT THAT ARISE FROM SUCH LIQUIDATION OR REMAIN AFTER SUCH LIQUIDATION. IBIE WILL NOT HAVE ANY LIABILITY TO INTRODUCING BROKER FOR ANY LOSSES OR DAMAGES SUSTAINED BY INTRODUCING BROKER IN CONNECTION WITH SUCH LIQUIDATIONS (OR IF THE INTERACTIVE SYSTEM EXPERIENCES A DELAY IN EFFECTING, OR DOES NOT EFFECT, SUCH LIQUIDATIONS) EVEN IF THE INTRODUCING BROKER SUBSEQUENTLY RE-ESTABLISHES POSITIONS AT A LESS FAVORABLE PRICE.
- (iii) THE INTRODUCING BROKER IS SOLELY RESPONSIBLE FOR EXTENDING CREDIT TO ITS CLIENTS CONSISTENT WITH APPLICABLE LAWS, COLLECTING MARGIN PAYMENTS, AND TAKING APPROPRIATE ACTION IN THE EVENT THAT ANY OF ITS CLIENTS INCUR MARGIN DEFICITS. THE INTRODUCING BROKER IS SOLELY LIABLE FOR ANY DAMAGES OF ANY KIND CAUSED TO ANY CLIENT OF THE INTRODUCING BROKER OR TO ANY THIRD PARTY IN THE EVENT OF A MARGIN DEFICIT IN THE CONSOLIDATED ACCOUNT, INCLUDING BUT NOT LIMITED TO ANY DAMAGES CAUSED BY IBIE'S EXERCISE OF ITS RIGHTS HEREUNDER TO LIQUIDATE POSITIONS IN THE CONSOLIDATED ACCOUNT IN THE EVENT OF A MARGIN DEFICIT OR TO LIQUIDATE POSITIONS IN SUB-ACCOUNTS IN THE EVENT OF A FAILURE TO MEET THE SUB-ACCOUNT RISK-MANAGEMENT REQUIREMENTS.
- (iv) IN ACCORDANCE WITH CLAUSE 12C BELOW, THE INTRODUCING BROKER AGREES TO INDEMNIFY AND HOLD IBIE AND THE IBIE INDEMNITEES HARMLESS AGAINST ANY AND ALL CLAIMS FOR ANY DAMAGES OF ANY KIND CAUSED TO ANY CLIENT OF INTRODUCING BROKER OR TO ANY THIRD PARTY IN THE EVENT THAT IBIE LIQUIDATE POSITIONS IN THE CONSOLIDATED ACCOUNT OR THE SUB-ACCOUNTS PURSUANT TO THE PROVISIONS OF THIS AGREEMENT.

- (v) The Introducing Broker expressly waives any rights to receive prior notice or demand from IBIE and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of IBIE's right to liquidate any position as a result of violation of Margin Requirements applicable to the Consolidated Account or violation of Risk Management Requirements in a Sub-Account. The Introducing Broker understands that, in the event positions are liquidated by IBIE, the Introducing Broker shall have no right or opportunity to determine the securities to be liquidated or the order or manner of liquidation. IBIE may, in its sole discretion, effect liquidation on any exchange, Electronic Communications Network ("**ECN**") or other market, and IBIE may take the other side of such liquidating transaction. In the event that IBIE liquidates any or all positions in the Account or a Sub-Account, such liquidation shall establish the amount of Introducing Broker's gain or loss and indebtedness to IBIE, if any. Introducing Broker shall reimburse and hold IBIE harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, attorney's fees), penalties, losses, claims or liabilities associated with any such transaction undertaken by IBIE. Introducing Broker shall be responsible for all resulting losses on Introducing Broker's positions, notwithstanding IBIE's delay in or failure to liquidate any such positions. If IBIE execute an order for which the Account or a Sub-Account did not have sufficient funds, IBIE has the right, without notice to the Introducing Broker, to liquidate the trade and the Introducing Broker shall be responsible for any loss as a result of such liquidation, including any costs, and shall not be entitled to any profit that results from such liquidation.
- (vi) The Introducing Broker acknowledges and agrees that IBIE will deduct commissions and various other fees (including but not limited to market data fees) from the Account and that such deductions may affect the amount of equity to be applied against the Margin Requirements or the Sub-Account Risk Management Requirements. Account positions are subject to liquidation as described herein if deduction of commissions, fees or other charges causes the Account to have an insufficient balance to satisfy the Margin Requirements or causes a Sub-Account to have an insufficient balance to satisfy the Sub-Account Risk Management Requirements.
- (vii) If the Interactive System does not, for any reason, effect a liquidation, and IBIE issues a call to the Introducing Broker by e-mail or any other method, the Introducing Broker must satisfy such call immediately. The Introducing Broker agrees to monitor e-mail messages and other communications from IBIE and to satisfy any call issued by IBIE by immediately depositing funds in the Account to pay, in full, the under-margined position. Notwithstanding such call, Introducing Broker acknowledges that IBIE, in its sole discretion, may liquidate Account positions at any time.
- G.** IBIE also shall have the right to liquidate all or any part of any Account position without prior notice to the Introducing Broker in the same manner as provided above: (i) if any dispute arises concerning any trade in an Account, (ii) upon Introducing Broker's failure to timely discharge its obligations to IBIE, (iii) upon the Introducing Broker's insolvency or filing of a petition in bankruptcy or for protection from creditors, (iv) upon the appointment of a receiver, or (v) whenever IBIE reasonably deems liquidation necessary or advisable for IBIE's protection.
- H. Short Sales:** The Introducing Broker is responsible for the accurate designation of an order as a short sale at the time the order is placed. The Introducing Broker acknowledges that short sales may only be effected in a margin account and are subject to initial and maintenance Margin Requirements. Interest rates paid to or from the Introducing Broker in connection with short sales are subject to frequent change and will vary based on the nature of the security being shorted (e.g. financing a short position in a hard-to-borrow stock may be much more costly). Prior to effecting a short sale for the Introducing Broker, IBIE must have reasonable assurance that it will be able to borrow the stock to effect delivery of the stock to the purchaser. If IBIE is unable to borrow stock to effect delivery on a short sale, or if IBIE is unable to re-borrow stock in order to satisfy a re-call notice from a stock lender, or if rules of regulators or clearing houses so require, then IBIE may be subject to a buy-in (closeout) obligation. The Introducing Broker acknowledges that, in connection with any short sale by Introducing Broker or its Clients, IBIE is authorised to buy in or closeout such short position by purchasing stock and Introducing Broker shall be liable for any resulting losses and all associated costs incurred by IBIE (including



special commissions or fees that may be imposed for short sale closeouts). As noted above, the market value of short stock is treated as a debit item to the Introducing Broker's Consolidated Account.

- I. Security Interest:** Any and all securities, cash, investments, contracts, foreign currency, collateral and/or property, including all proceeds of the foregoing, held by or on behalf of IBIE for Introducing Broker's Account(s) (including Sub-Account(s)), are hereby pledged to IBIE and shall be subject to a perfected first priority lien and security interest in IBIE's favour to secure performance of the Introducing Broker's obligations and liabilities to IBIE arising under this Agreement, any other agreement with IBIE, or any transaction.
- J. Right of Use:** To the extent permitted by law, the Introducing Broker expressly grants to IBIE a right of use of the financial instruments which are pledged with IBIE in accordance with the above. This right of use may only be exercised by IBIE in circumstances in which the Introducing Broker enters into either: (i) a margin loan; and/or; (ii) a stock loan transaction, with IBIE. The right of use shall comprise the right for IBIE to dispose of the relevant pledged financial instruments as if it were the owner of such financial instruments. However, the right of use does not temporarily or permanently deprive the Introducing Broker of its ability to use or deal in those financial instruments. In addition, IBIE will only use the pledged financial instruments in order to secure its own commitments. When IBIE exercises the right of use, the pledged financial instruments that are the subject of the margin loan or stock loan will be moved from the Introducing Broker's Account(s) (including, if necessary, from the Sub-Account(s)) with IBIE to the IBIE account where pledged assets are held. IBIE will in return deposit cash collateral (and/or securities in the case of a stock borrow) into the Introducing Broker's Account(s) (and, if necessary, in the Sub-Account(s)) in an amount that is equivalent to the market value of the relevant pledged financial instruments. The value of the cash collateral (and/or securities in the case of a stock loan) will be adjusted daily in order to take into account market fluctuations in the value of the relevant pledged financial instruments. The collateral transferred to the Introducing Broker's Account(s) (and, if required, the Sub-Account(s)) by IBIE will be protected in accordance with applicable client asset requirements. IBIE undertakes to return such pledged financial instruments to the Introducing Broker in the same or an equivalent form, but will not return to financial instruments of a different type.

The Introducing Broker confirms that it understands and acknowledges the risk incurred by the granting of the pledge of financial instruments and the right of use, as set forth in Schedule 6 under the "Information Statement" in accordance with Article 15 of the Securities Financing Transactions Regulation".

Furthermore, the Introducing Broker confirms that the Introducing Broker understands and acknowledges that the pledged financial instruments are deemed to be under an exclusive pledge with IBIE and may not be concurrently pledged for other purposes.

- K. Interest Charges:** For each Sub-Account comprising the Consolidated Account, IBIE shall pay credit interest to such Sub-Account, and shall charge debit interest to such Sub-Account, at such interest rates as are then set forth on the IBIE website, as modified by any credit interest markdown or any debit interest markup set by the Introducing Broker. Any amount of credit interest on Sub-Account balances resulting from a credit interest markdown, and any amount of debit interest on Sub-Account balances resulting from a debit interest markup, shall be paid to the Introducing Broker. IBIE shall pay credit interest only on that portion of the Sub-Account credit balance that exceeds the credit balance threshold for the particular currency which is then set forth on the IBIE website. IBIE reserves the right, in its sole discretion, to amend its credit and debit interest policies and rates upon notice made by posting the amended policies or rates on the IBIE website.

## L. Multi-Currency Enabled Margin Accounts:

- (i) **Operation of Multi-Currency Accounts:** The IBIE Multi-Currency account function gives users the ability to trade securities or commodities denominated in different currencies using a single account. When a user purchases a security or commodity denominated in a currency, a margin loan is established to fund the purchase. This margin loan is secured by funds held by IBIE in the currency and in other currencies and by account securities and commodities positions to the extent allowed by Applicable Laws.
- (ii) **Foreign Currency Exchange Transaction Facility:** Multi-Currency enabled Sub-Accounts will be able to exchange cash funds between currencies through spot foreign exchange transactions executed through the Interactive System. The Introducing Broker and its Clients can use these spot foreign exchange transactions to convert funds to repay margin balances, to convert gains generated on investments denominated in foreign currency, or to take positions in particular currencies for purposes of investment or speculation.
- (iii) **Foreign Currency Exchange Transactions:** For foreign currency exchange transactions executed through IBIE's spot foreign currency exchange facility, IBIE generally will act as agent or riskless principal and will effect such transactions through an IBIE Affiliate, which may earn a profit (or suffer a loss) in connection with such transactions. Introducing Broker shall pay a transaction fee to IBIE for each foreign exchange transaction, which IBIE may deduct from the Account(s). IBIE may modify the transaction fee rates upon notice to the Introducing Broker via the IBIE website or otherwise.
- (iv) **Margin:** If the Introducing Broker maintains positions denominated in foreign currencies, the Interactive System will calculate the margin required to carry those positions by applying exchange rates specified by IBIE and translating the foreign currency margin balances into the currency specified by the Introducing Broker (Introducing Broker understands that this is a pro forma calculation - no funds will actually be converted for purposes of margin calculations). IN TRANSLATING THE FOREIGN CURRENCY MARGIN REQUIREMENTS, IBIE WILL APPLY "HAIRCUTS" (A PERCENTAGE DISCOUNT ON THE FOREIGN CURRENCY EQUITY AMOUNT) TO REFLECT THE POSSIBILITY OF FLUCTUATING EXCHANGE RATES. INTRODUCING BROKER AND ITS CLIENTS THEREFORE MUST CLOSELY MONITOR MARGIN AND RISK MANAGEMENT REQUIREMENTS IN THE SUB-ACCOUNTS AT ALL TIMES, PARTICULARLY FOR POSITIONS DENOMINATED IN FOREIGN CURRENCIES (BECAUSE CURRENCY FLUCTUATION, IN ADDITION TO FLUCTUATION IN THE VALUE OF THE UNDERLYING POSITION, CAN CAUSE A DEFICIT).
- (v) **IBIE's Right to Refuse Orders:** These provisions do not evidence a commitment of IBIE to enter into foreign currency exchange transactions generally or to enter into any specific foreign currency exchange transaction. IBIE reserves the right, exercisable at any time in their sole discretion, to refuse: (i) acceptance of Introducing Broker's orders, or (ii) to quote a two-way market.
- (vi) **Netting Provisions:**
  - a. **Netting by Novation:** Each foreign currency transaction made between the Introducing Broker and IBIE will immediately, upon its being entered into, be netted with all then existing foreign currency transactions between Introducing Broker and IBIE for the same currencies so as to constitute a single foreign currency transaction.
  - b. **Payment Netting:** If on any delivery date more than one delivery of a particular currency is to be made between the Introducing Broker and IBIE pursuant to a foreign currency transaction, each party shall aggregate the amounts deliverable by it and only the difference, if any, between these aggregate amounts shall be delivered by the party owing the larger amount to the other party.

- c. Close-Out Netting: In the event that the Introducing Broker: (a) incurs a margin deficit in any Account or a Risk Management Requirement deficit in any Sub-Account, (b) defaults in the payment or performance of any obligation to IBIE under any agreement with IBIE, (c) becomes the subject of a bankruptcy, insolvency or other similar proceeding, or (d) fails to pay its debts generally as they become due, IBIE shall be entitled in its discretion, immediately and at any time to close-out all of the Introducing Broker's foreign currency transactions by converting them to the base currency, and may in its discretion at any time or from time to time liquidate all or some of the Introducing Broker's collateral in IBIE's possession or control on any commercially reasonable basis and apply the proceeds of such collateral to any amounts owing by the Introducing Broker to IBIE resulting from the close-out of such foreign currency transactions.
- d. Notwithstanding anything to the contrary herein regarding IBIE's rights to close-out foreign currency transactions, if an event specified in Clause 7L(vi)(c) has occurred, then upon the occurrence of such event, all outstanding foreign currency transactions will be deemed to have been automatically terminated as of the time immediately preceding the institution of the relevant proceeding, or the presentation of the relevant petition upon the occurrence with respect to Introducing Broker of such specified event.
- e. The rights of IBIE under this Clause shall be in addition to, and not in limitation or exclusion of any other rights that IBIE may have (whether by agreement, operation of law or otherwise).

## 8 Commissions and Fees

- A. Deposit:** In order to apply to become an Introducing Broker, IBIE requires the Introducing Broker to provide a USD10,000 application deposit. This USD10,000 deposit shall be placed in the Introducing Broker's IBIE account. 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 IBIE rejects the Introducing Broker's completed application the deposit will be refunded.
- B. IBIE's Commissions:** Upon execution of an order, the Introducing Broker shall pay to IBIE its commissions and fees, which IBIE may deduct from the Introducing Broker's account. Commissions and fees (including but not limited to any required monthly minimum aggregate commission owed by Introducing Broker regardless of activity) shall be as described on IBIE's website, unless separately agreed in writing by an authorised officer of IBIE. Additional information on the estimated effect of commissions and fees on hypothetical returns is also made available through the IBIE website under 'Forms and Disclosures, MiFID II Disclosures'.
- C. Introducing Broker's Commission Charges to Introducing Broker's Clients:** As an administrative service to the Introducing Broker, IBIE may deduct from the Consolidated Account the Introducing Broker's commission charges or other fees the Introducing Broker charges to the Introducing Broker's Clients and hold these funds for the benefit of the Introducing Broker. If IBIE provides this service, the Introducing Broker will specify its Client commission and fee schedule to IBIE and IBIE will deduct commissions and fees as specified. 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. The Introducing Broker agrees to return to IBIE immediately any funds of any kind erroneously or improperly remitted to Introducing Broker by IBIE. The Introducing Broker grants a lien to IBIE against any funds held by IBIE for Introducing Broker in order to satisfy any obligation of Introducing Broker to IBIE arising in connection with this Agreement. In the event that funds in the Consolidated

Account or a Sub-Account are insufficient to pay IBIE's commissions/fees and Introducing Broker's commissions/fees, IBIE's commissions/fees shall be paid first.

- D. Cost-Plus Commission Schedule:** IBIE may offer a cost-plus (or "unbundled") commission schedule for certain products, in which IBIE itemises the approximate cost of exchange fees and other trading or clearing or regulatory fees paid to third parties separately from IBIE's own commissions. The cost schedules specified on the IBIE website and used as the basis for cost-plus commission calculations may differ from the actual exchange fees or other trading or clearing or regulatory fees paid to third parties, and in such case the cost schedules specified on the IBIE website are controlling and shall be used to calculate the commission charged to Introducing Broker.

## 9 Use of Confidential Information

- A.** The Introducing Broker acknowledges that IBIE 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, if Introducing Broker is a legal entity, the Introducing Broker's directors, shareholders, beneficial owners, employees, officers, agents or Clients as necessary. IBIE shall comply with applicable data protection law with regard to processing personal data.
- B.** The Introducing Broker acknowledges to have read and understood the Interactive Brokers Group Privacy Policy published on the IBIE website ([www.interactivebrokers.ie](http://www.interactivebrokers.ie)), as may be updated from time to time.
- C.** The Introducing Broker understands that IBIE may use, store or otherwise process any such information (whether provided electronically or otherwise) and may disclose such information (including, without limitation, information relating to Introducing Brokers' transactions and account) either IBIE 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.
- D.** The Introducing Broker agrees that IBIE may:
- (i) Disclosure information about the Introducing Broker to your agents or attorneys for any purpose relating to this Agreement.
  - (ii) Disclose information about the Introducing Broker and Clients, including information of a confidential nature, in the circumstances set out in this Clause:
    - a. 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 "we", "us" and "our" in this Clause shall be deemed to include all members of the Interactive Brokers Group);
    - b. to other organisations and individuals we may engage to perform, or assist in the performance of, our services or to advise us, provided that they will only be given access to the relevant information for that purpose;
    - c. 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;
    - d. to any regulatory authority or public registry, as required by law; or
    - e. as may be required for the purposes set out in this Clause.

- E. To the extent such authorization is required by law, the Introducing Broker authorises IBIE, directly or through third parties, to make any enquiries that IBIE considers necessary to conduct business with the Introducing Broker. This may include ordering a credit report and performing other credit checks, or verifying the information you provide against third party databases. Any information obtained is maintained in accordance with the Interactive Brokers Group Privacy Policy.
- F. If any personal data or sensitive personal data belonging to any of your shareholders, directors, employees, officers, agents or clients is provided to us, you represent to us 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 Clause and you agree to indemnify us against any loss, costs or expenses arising out of any breach of this representation.
- G. Telephone Conversations and Electronic Communications:** The Introducing Broker acknowledges that all telephone conversations and electronic communications will be recorded. The Introducing Broker acknowledges that IBIE (our affiliates or representatives) may contact Introducing Broker by telephone as required and appropriate under this Agreement. To the extent permitted under Applicable Laws IBIE, its affiliates or any other person appointed by IBIE 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 the 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. IBIE will retain such records in accordance with our procedures which may change from time to time in our absolute discretion. The Introducing Broker should not expect to be able to rely on IBIE to comply with Introducing Broker's record keeping obligations.

**Notice: Under the Credit Reporting Act 2013 lenders are required to provide personal and credit information for credit applications and credit agreements of €500 and above to the Central Credit Register. This information will be held on the Central Credit Register and may be used by other lenders when making decisions on your credit applications and credit agreements.**

## 10 Use of Electronic Services

- A. Licence to Use Software and Related Restrictions:** IBIE grants to the Introducing Broker and the Introducing Broker accepts a non-exclusive and non-transferable licence to use their proprietary software to communicate with the Interactive System ("**Interactive Software**"), solely as provided herein. Title to the Interactive Software shall remain the sole property of IBIE, 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 IBIE's ownership and rights therein and shall not sell, exchange, or otherwise transfer the Interactive Software to others. IBIE 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 IBIE and confirmed by IBIE's Corporate Secretary. Any updates, replacements, revisions, enhancements, additions or conversions to the Interactive Software supplied to Introducing Broker by IBIE shall become subject to this Agreement. There may be instances when IBIE agrees to licence the use of its platform to Introducing Broker, the terms of which may be entered into separately between IBIE and the Introducing Broker.
- B. The Introducing Broker Must Maintain Alternative Trading Arrangements:** The Introducing Broker acknowledges that electronic and computer-based systems and electronic trading services such as those provided to Introducing Broker and used by IBIE is inherently vulnerable to disruption, delay or failure and such facilities and systems may be unavailable to the Introducing Broker as a result of foreseeable and unforeseeable events. THE INTRODUCING

BROKER MUST MAINTAIN ALTERNATIVE TRADING ARRANGEMENTS FOR THE PLACEMENT AND EXECUTION OF ORDERS IN THE EVENT THAT THE INTERACTIVE SYSTEM IS UNAVAILABLE. The INTRODUCING BROKER REPRESENTS THAT THE INTRODUCING BROKER SHALL MAINTAIN SUCH ALTERNATIVE TRADING ARRANGEMENTS. By signing this Agreement, the Introducing Broker represents that the Introducing Broker maintains alternative trading arrangements.

## 11 Event of Default

- A.** An "Event of Default" hereunder shall occur automatically, without notice from IBIE if: (1) the Introducing Broker breaches, repudiates, or defaults in any way on any agreement with IBIE (including Introducing Broker's agreement to provide margin) or with any third party; (2) IBIE, in its sole discretion, determines that it has sufficient grounds to doubt the Introducing Broker's ability to perform any obligation to any person and, immediately after demand, the Introducing Broker fails to provide assurance of performance of the obligation satisfactory to IBIE; (3) any proceedings are commenced by or against the Introducing Broker under any bankruptcy, insolvency, 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 IBIE, 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) IBIE has reason to believe that any of the foregoing is likely to occur imminently.
- B.** The Introducing Broker absolutely and unconditionally agrees that, after the occurrence of an Event of Default, IBIE is authorised to terminate any or all of IBIE's obligations to the Introducing Broker for future performance; and IBIE shall have the right in its sole discretion, but not the obligation, without prior notice to the Introducing Broker, to liquidate all or part of any or all positions in any of the Introducing Broker's IBIE accounts (including by the entry of offsetting transactions) at any time and in such manner and in any market as IBIE deems necessary. The Introducing Broker acknowledges that, in addition to any other rights or remedies allowed by law, all balances in any of the Introducing Broker's accounts with IBIE are hereby pledged to IBIE to secure performance of the Introducing Broker's obligations hereunder.
- C.** The Introducing Broker will indemnify IBIE and hold IBIE harmless for all actions, omissions, costs, expenses (including attorneys' fees), losses, penalties, claims or liabilities, which IBIE incur in connection with: (1) the exercise of any remedy, (2) the care of the collateral and defending or asserting the rights and claims of IBIE in respect thereof, and (3) meeting any obligation of IBIE which it fails to perform by reason of an Event of Default.

## 12 Liability and Indemnity

- A. NO LIABILITY OF IBIE TO THE INTRODUCING BROKER'S CLIENTS: THIS AGREEMENT IS BETWEEN IBIE AND THE INTRODUCING BROKER ONLY. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO BIND IBIE OR TO IMPOSE ANY LIABILITY OR OBLIGATION UPON IBIE WITH RESPECT TO THE INTRODUCING BROKER'S CLIENTS INCLUDING, BUT NOT LIMITED TO, THOSE CLIENTS OF THE INTRODUCING BROKER WHOSE TRANSACTIONS ARE EFFECTED THROUGH THE CONSOLIDATED ACCOUNTS. THERE ARE NO BENEFICIARIES TO THIS AGREEMENT OTHER THAN IBIE AND THE INTRODUCING BROKER.**
- B. LIMITATION OF IBIE'S LIABILITY TO THE INTRODUCING BROKER: THE INTRODUCING BROKER ACCEPTS THE 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. UNDER NO CIRCUMSTANCES SHALL IBIE 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 FRAUD OR CAUSING PERSONAL BODILY INJURY OR DEATH. IBIE 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 IBIE'S INTENTIONAL ACTS. INTRODUCING BROKER RECOGNISES THAT THERE MAY BE DELAYS OR INTERRUPTIONS IN THE USE OF THE INTERACTIVE SYSTEM, INCLUDING, FOR EXAMPLE, THOSE CAUSED INTENTIONALLY BY IBIE FOR PURPOSES OF SERVICING THE INTERACTIVE SYSTEM. THE INTRODUCING BROKER ACKNOWLEDGES THAT THE INTRODUCING BROKER IS RESPONSIBLE FOR MAINTAINING ALTERNATIVE TRADING ARRANGEMENTS IN ADDITION TO INTRODUCING BROKER'S IBIE ACCOUNT. IN NO EVENT SHALL IBIE'S LIABILITY, REGARDLESS OF THE FORM OF ACTION AND DAMAGES SUFFERED BY THE INTRODUCING BROKER, EXCEED THE HIGHEST AGGREGATE MONTHLY COMMISSIONS AND FEES PAID BY THE INTRODUCING BROKER TO IBIE.

- C. Indemnification of IBIE by the Introducing Broker:** The Introducing Broker shall indemnify, defend and agree to hold IBIE, its affiliates, their respective successors and assigns, and their respective directors, officers, employees and agents ("**IBIE 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, the Introducing Broker's Clients or regulatory or self-regulatory authorities) for any penalties, damages, costs, judgments, attorneys' fees or any other expenses incurred in connection with (i) any transaction or activity involving the Consolidated Account or any of the Introducing Broker's Clients or any other transaction or activity contemplated by this Agreement, or (ii) the Introducing Broker's breach of the Anti-Money Laundering and Counter-Terrorist Financing Agreement for Brokers with Consolidated Broker Accounts by and between the Introducing Broker and IBIE, or (iii) any negligent or fraudulent misrepresentation by the Introducing Broker in its account application or in the customer due diligence materials provided to IBIE by the Introducing Broker in relation to the anti-money laundering checks conducted on the Interactive Broker. 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 IBIE and IBIE Indemnitees 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 IBIE's or IBIE Indemnitees' fraud or willful misconduct. These indemnification provisions shall remain operative and in full force after termination of this Agreement.
- D. 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 an IBIE Indemnitee may have any claim to indemnification under this Agreement, the Introducing Broker shall fail to institute the defence of the IBIE Indemnitee in connection with such claim, demand, proceeding, suit or action, or if thereafter Introducing Broker shall fail diligently to prosecute such defence, the IBIE Indemnitee shall have the right, but not the obligation, to defend such action. The costs and expenses, including reasonable legal 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, the IBIE Indemnitee's right to indemnification under this Agreement. Introducing Broker shall not settle any claim, demand, proceeding, suit or action against IBIE without the prior written consent of the IBIE Indemnitee.

### 13 Termination of the Agreement

- A.** Either party may terminate this Agreement in either party's discretion by providing written notice to the other party. IBIE may terminate the Introducing Broker's use of the Interactive System at

any time, in its sole discretion. In the event that this Agreement is terminated, the Introducing Broker shall promptly close all open Consolidated Account positions or make mutually satisfactory arrangements to transfer such positions. As long as there are any unsettled transactions or open positions in any Consolidated Account, this Agreement shall not be terminated by the Introducing Broker.

- B.** After termination, the Introducing Broker and IBIE shall remain obliged to fulfil any outstanding obligations under this Agreement. Termination of this Agreement shall not release the Introducing Broker from any liability or responsibility to IBIE 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. Following termination of this Agreement, IBIE shall transfer any Client Assets held by IBIE to a third party nominated by the Introducing Broker.

## 14 Miscellaneous

- A. Language:** The Introducing Broker agrees to the provision of this Agreement in English and the Introducing Broker acknowledges that it understands all of the terms and conditions contained herein.
- B. 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 Ireland.
- C.** For the benefit of IBIE, and subject to Clause 14D, the parties irrevocably agree that the Courts of Ireland 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 Courts of Ireland 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 Courts of Ireland. 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.
- D.** Nothing in Clause 14C limits the right of IBIE 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 IBIE 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.
- E.** 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 at Clause 11 G below. If the Introducing Broker changes its address it shall notify IBIE immediately and the Introducing Broker shall thereafter accept service as specified herein at its new address.
- F.** The Introducing Broker expressly agrees that IBIE 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.
- G. Complaints:** All complaints of the Introducing Broker should be made using one of the following means: (i) by WebTicket in Account Management on the IBIE website; (ii) by letter to Complaints Handling, Compliance Department, Interactive Brokers Ireland Limited, Dublin



Landings, North Dock One, 91/92 North Wall Quay, Dublin 1 D01 H7V7, Ireland (iii) by email to [complaints@interactivebrokers.ie](mailto:complaints@interactivebrokers.ie). You have the right to request information in respect of our Internal Complaint Handling Procedures. A summary of our Internal Complaint Handling Procedures is available through the IBIE website.

- H. Out-of-Court Complaint Resolution:** The Financial Services and Pensions Ombudsman (“FSPO”) is the statutory out-of-court complaints resolution body in Ireland. Customers of a regulated financial service provider who satisfy prescribed eligibility criteria may be able to make a complaint to the FSPO. In order to meet the eligibility criteria, a customer must come within the definition of a “complainant” as defined under Section 2(1) of the Financial Services and Pensions Ombudsman Act 2017. Please refer to the FSPO’s website at [www.fspo.ie](http://www.fspo.ie) for further information. You can contact the FSPO at Lincoln House, Lincoln Place, Dublin D2 D02 VH29, by email at [info@fspo.ie](mailto:info@fspo.ie) or by telephone at +353 (0)1 567 7000. If the Introducing Broker is incorporated outside of Ireland, please refer to FIN-NET. FIN-NET is a Europe-wide network of financial ombudsmen and consumer complaints organisations. Further information can be found at [www.ec.europa.eu](http://www.ec.europa.eu)
- I. Arbitration:** Any controversy or claim arising out of or in connection with this Agreement shall be settled by arbitration. The place of arbitration shall be Dublin (Ireland) or an alternative location if mutually agreed. The language to be used in the arbitral proceedings shall be English. The Arbitration Tribunal shall consist of three arbitrators with appropriate financial services or relevant legal experience appointed by agreement between the parties or, failing agreement between the parties, within 30 days after a request for arbitration is made by any party, appointed on the application of any party by the President for the time being of the Law Society of Ireland.
- J. Entire Agreement:** The parties acknowledge that they have not made any oral or written representations or warranties other than this Agreement. This Agreement supersedes any such prior agreement executed by the Introducing Broker.
- K. Amendments:** The Introducing Broker acknowledges that IBIE may modify this Agreement at any time. 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 IBIE and confirmed, in writing, by IBIE’s Secretary.
- L. Captions:** Captions are provided herein for convenience only and are not of substantive effect.
- M. 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.
- N. 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 IBIE shall not be exclusive of any other remedies.
- O. 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.
- P. Successors and Assigns:** 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 IBIE under this Agreement may be assigned by IBIE to any affiliate of IBIE or of the IBIE Introducing Brokers Group or to another duly registered broker-dealer or futures commission merchant upon notice to Introducing Broker. No assignment may be made by the

Introducing Broker without the prior, written consent of IBIE. All of IBIE's rights and remedies and any limitations on liability thereunder shall inure to the benefit of IBIE's affiliates and they are hereby designated as third party beneficiaries to this Agreement. IBIE's affiliates are not liable for IBIE's acts and omissions.

- Q. Lien:** The Introducing Broker grants IBIE a lien on all property held at any time by IBIE to secure any Introducing Broker indebtedness or obligation to IBIE, without notice to the Introducing Broker, may use, transfer or sell any or all of such property to enforce its lien.
- R. Consent to Accept Electronic Records and Communications:** By entering into this Agreement, the Introducing Broker consents to the receipt of electronic records and communications regarding all Introducing Broker transactions and dealings with IBIE, 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 e-mail address. The Introducing Broker may withdraw such consent at any time by hard copy letter delivered via Federal Express or other overnight courier to Director of Compliance, Interactive Brokers Ireland Limited, Interactive Brokers Ireland Limited, North Dock One, 91/92 North Wall Quay, Dublin 1 D01 H7V7, Ireland.
- S. Conflicts of Interest:** IBIE has various policies and procedures in place to assist in identifying, preventing and managing conflicts of interest between ourselves or any person directly or indirectly linked to us by control and you, or between you and another client that arise in the course of providing services. Our Conflicts of Interest Policy provides the overall framework for the identification of conflicts of interest and addresses business conduct and practices that may give rise to an actual or potential conflicts of interest. A summary of our Conflicts of Interest Policy can be found on the IBIE website. By agreeing to this Agreement, you consent to accessing the summary of our Conflicts of Interest Policy via the IBIE website. Please contact us if you require further information on our Conflicts of Interest Policy. In addition to the Conflicts of Interest policy, there are various other policies and processes that address conflicts of interest that arise in specific circumstances, including those dealing with employee trading, external interests or gifts and entertainment. In those residual circumstances where our organisational or administrative arrangements are unable to prevent, with reasonable confidence, that the risk of the conflict has a negative impact on a Introducing Broker's interest, IBIE will disclose the source and nature of the conflict to you as soon as reasonably possible as well as the steps taken to mitigate those risks prior to providing services to you. We hereby disclose that the following conflicts of interest, inter alia, may affect you:
- (i) Subject to Applicable Laws, IBIE and its affiliates may trade for their own accounts in the same or related products as the client and at the same or nearly the same time, either on the same or different sides of the market as the client; IBIE and its affiliates have no obligation to disclose their trading activity to the client or to advise the client regarding the client's trading; IBIE and its affiliates may execute proprietary trades even if IBIE may simultaneously hold unexecuted client orders for the same or related products at the same price.
  - (ii) For Forex transactions (including Forex CFDs), IBIE generally will act as agent or riskless principal and charge a fee. IBIE may effect Forex Transactions through an affiliate or third party, which may profit or lose from such Transactions.
  - (iii) Subject to Applicable Laws, IBIE or its affiliates may be receiving payments or other benefits for directing orders to execution venues where orders are placed.
  - (iv) Subject to Applicable Laws, IBIE may match your transaction with that of any other client (including without limitation us, any affiliate, connected customer or other customer of ours) either on behalf of such person as well as on behalf of you or by executing matching Transactions at or about the same time with you and such person.

- (v) Where you provide us with information relating to your order or proposed transaction, we may use that information to facilitate the execution of your orders or transactions.
- (vi) This list is not intended to be exhaustive and we may have relationships that could give rise to a conflict of interest. No further disclosure to you is required of any relationship, arrangement or interest which falls within the circumstances referred to in this Agreement. We shall not be obliged to disclose to you any matter, fact or thing if such disclosure would be a breach of any duty owed by us to any other person. Where it is not practical for us to disclose an interest to you, we may rely on a policy of independence or have appropriate information barriers in place.

**T. Inducements:** IBIE may share commissions, fees or minor non-monetary benefits with associates, introducing agents or other third parties. IBIE is entitled, under MiFID, to pay or be paid commissions, fees or minor non-monetary benefits where the relevant commission, fee or minor non-monetary benefit is: (a) designed to enhance the quality of the service that IBIE provides to the Introducing Broker; and (b) does not impair IBIE's duty to act honestly, fairly and professionally in accordance with the best interests of the Introducing Broker and our obligations under MiFID. IBIE shall disclose to the Introducing Broker the existence, nature and amount of any relevant commission, fee or minor non-monetary benefit. Where the amount cannot be ascertained, IBIE shall disclose to the Introducing Broker the method of calculation of the commission, fee or minor non-monetary benefit. If IBIE receives an inducement which is not permitted under MiFID, IBIE will inform the Introducing Broker of the mechanism(s) for transferring the commission(s), fee(s) or minor non-monetary benefit(s) to the Introducing Broker.

**U. Important Information Provided on the IBIE Website**

**You expressly consent and agree that we may provide certain information to you by way of a durable medium other than paper (such as by way of e-mail and/or client portal).**

**You expressly consent and agree that we may provide certain information not personally addressed to you by way of our website or such other website as you are notified of by us from time-to-time.**

Where IBIE provides important information about its products and services on the IBIE website this may include information about margin requirements, adjustments arising from corporate actions, settlement and delivery procedures, order execution policies, tax treatment, and other matters. You confirm that you have regular access to the Internet, and consent to us providing you with information through our website at [www.interactivebrokers.ie](http://www.interactivebrokers.ie) or such other website as may from time to time be communicated to you.

**Executed as an agreement**

<b>Interactive Brokers Ireland Limited</b>	<b>BROKER:</b>
<b>Signature:</b>	<b>Signature:</b>
<b>Name:</b> <b>(Please print)</b>	<b>Name:</b> <b>(Please print)</b>
<b>Title:</b>	<b>Title:</b>
<b>Date:</b>	<b>Date:</b>

## Schedule 1 - Client Assets

This Schedule 1 contains additional terms applicable to our safeguarding and custody services. Unless otherwise stated, terms defined in the body of this Agreement have the same meaning in this Schedule 1. If there is any conflict between the terms of this Schedule 1 and the terms in the rest of this Agreement, the terms of this Schedule 1 will prevail.

For transactions subject to this Agreement, IBIE holds funds (“**Client Funds**”) and/or financial instruments (“**Client Financial Instruments**”) (together, “**Client Assets**”) on trust for the benefit of the Introducing Broker and provides safe custody services.

This Customer Agreement sets out the terms of use of Client Assets by IBIE and the terms pursuant to which Client Assets may be dealt with by IBIE.

### 1. Holding Client Funds

- 1.1 Client Funds will be held by IBIE in accordance with the Client Asset Rules, which among other things require IBIE to segregate Client Funds from IBIE’s own funds, for example by depositing them in one or more bank account(s). To the extent permitted by the Client Asset Rules, we may allow another organisation, such as an exchange, clearing house or an intermediate broker, which may include affiliates, to hold Client Funds for the purpose of a Transaction for you through or with that organisation, or to meet any obligation.
- 1.2 IBIE shall exercise due skill, care and diligence when selecting a bank(s) to hold Client Funds, including the expertise and market reputation of any such bank(s), and IBIE shall periodically, and at least on annual basis, review the bank(s) it has selected to hold Client Funds. IBIE shall also consider any legal or regulatory requirements or market practices related to the holding of Client Funds that could adversely affect Clients’ rights. However, IBIE is not responsible under any circumstances for any facts, omissions or default of any bank chosen by it to hold Client Funds. In the event of the insolvency or any other analogous proceedings of a third party holding Client Funds, any shortfall in the amount of money in the relevant Client bank accounts may be insufficient to satisfy the claim of all clients in respect of those accounts and you will share proportionally in the shortfall with other creditors of the third party.
- 1.3 Where we hold Client Funds in a pooled account on your behalf, we will endeavour to hold it in the same currency as your other Client Funds. However, where this is not practical, we will ensure an equivalent amount of Client Funds, based on the prevailing exchange rate, is placed in one of our pooled accounts each day on your behalf. In the event of the insolvency of IBIE, the amount of funds held in the pooled account on your behalf may differ to the value of your Client Funds, when valued at the prevailing exchange rate at a later date.
- 1.4 Interest is only paid to Clients on individually designated Client Asset deposit accounts opened with a bank. Interest is not paid on Client Funds held in the course of settlement or on Client Funds held in pooled Client Asset deposit accounts. Where interest is paid, it is calculated from the date we place money on deposit up to the date of withdrawal. The rate of interest paid on Client Funds will vary from time to time and between banks with whom we place Client Funds. We are under no obligation to notify you of any changes in the applicable interest rates. Client Funds held by us will be handled in accordance with the Client Asset Rules. While there is no obligation on IBIE to ensure interest is payable on Client Funds held in Client Asset accounts, we will, as an additional service to our Clients, use our reasonable endeavours, to seek to earn a competitive interest rate on Client Funds held in Client Asset deposit accounts with an eligible bank or credit institution. IBIE may retain interest earned on your Client Assets where such Client Assets are held in a third party client asset account.

- 1.5 **You expressly consent and agree that some or all of your Client Funds may be placed in qualifying money market funds.** You expressly acknowledge that where Client Funds are placed in a qualifying money market fund, those Client Funds will not be held in accordance with the requirements for the safeguarding of Client Funds set out in the Client Asset Rules. Where Client Funds are placed in a qualifying money market fund, the units or shares in the fund will be held in accordance with the requirements for holding Client Financial Instruments under the Client Asset Rules. IBIE will exercise due skill, care and diligence when selecting a qualifying money market fund and IBIE will review and monitor such placement at regular intervals.

## 2. Holding Client Financial Instruments

- 2.1 Where we hold Client Financial Instruments as custodian in accordance with the Client Asset Rules, we may use IBIE affiliates or an unaffiliated third party to act as sub-custodian in respect of Client Financial Instruments. These sub-custodians may hold Client Financial Instruments in accounts at central securities depositaries or with other sub-custodians.
- 2.2 You authorise us to arrange for Client Financial Instruments to be held with a sub-custodian or other third party in one or more jurisdictions outside of Ireland or the European Economic Area (“**EEA**”). In some cases, Client Financial Instruments which are held overseas will be subject to different settlement, legal and regulatory requirements than those that apply in Ireland or in the EEA. In some jurisdictions, local law might not allow Client Financial Instruments to be separately identifiable from IBIE’s financial instruments or those of the sub-custodian. You might be at greater risk of loss if the sub-custodian fails.
- 2.3 Where we appoint a sub-custodian we will exercise due skill, care and diligence in selecting and periodically reviewing the sub-custodian. IBIE will take into account the expertise and market reputation of the third party as well as any legal requirements relating to the holding of Client Financial Instruments that could adversely affect clients’ rights. However, save as provided under the Client Asset Rules, we will not be liable for their acts or omissions, insolvency or dissolution. We also do not accept responsibility for the obligations of any other sub-custodians, including central securities depositaries or clearing or settlement systems and we shall not be responsible in the event of their default.
- 2.4 We will not deposit Client Financial Instruments held on your behalf with a third party in a third country that does not regulate the holding and safekeeping of Client Financial Instruments for the account of another person unless one of the following conditions is met: (a) the nature of the Client Financial Instruments or of the investment services connected with those instruments requires them to be deposited with a third party in that third country; or (b) where you are a Professional Client, you request in writing that we deposit them with a third party in that third country.
- 2.5 We will not enter into arrangements for securities financing transactions in respect of Client Financial Instruments held on your behalf, or otherwise use such Client Financial Instruments for our own account or the account of another client unless we have received written confirmation from you of either the counterparty credit ratings acceptable to you or that you do not wish to specify such a rating.

## 3. Holding Client Assets

- 3.1 IBIE or any relevant sub-custodian will be responsible for claiming and receiving dividends, interest payments and other entitlements arising from the Client Assets held in custody for you. You will be informed of your rights in respect of corporate actions by notification through the online client portal.
- 3.2 IBIE will not notify you of Annual General Meetings or Extraordinary General Meetings applicable to your investments, nor will IBIE exercise any voting rights attached to your investments, unless you specifically request us to do so.

- 3.3 Information on the institutions with which Client Assets are to be held can be found at [https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration\\_v2.formSampleVew?formdb=4350](https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleVew?formdb=4350).
- 3.4 Client Assets may be held with a bank or other third party outside of Ireland or the EEA. Where Client Assets are held with a bank or other third parties outside of Ireland or the EEA, to the extent permitted by the Client Asset Rules, the legal and regulatory regime applying to such bank or other third party may differ to that applicable in Ireland or the EEA and your rights in relation to that bank or other third party may be treated differently to the way it would be treated if it were held in Ireland. Therefore, an insolvency of this bank or other third party may lead to the inability of such bank or organisation to repay/return the Client Assets.
- 3.5 Where IBIE holds Client Assets in bank account(s) or with other third parties, such Client Assets may be pooled. This means that in the event of IBIE's failure you do not have a claim against a specific sum or securities held in a specific account, and your claim may only be for a share of the total Client Assets held in that pool. Any shortfall held in that pool would be borne by you rateably in accordance with your entitlements in respect of the Client Assets. In such circumstances, you may not receive an amount equal to the individual sum owing to you.
- 3.6 In the case of collateral margined transactions, please refer to the additional provided in Clause 7J of this Agreement.

#### **4. Express consents**

##### **You expressly consent and agree that:**

- 4.1 IBIE may use Client Financial Instruments on own account.
- 4.2 IBIE may use Client Financial Instruments to enter into securities financing transactions and / or use such Client Financial Instruments on own account or for the account of another person or client(s) of IBIE on specified terms agreed between us.
- 4.3 Where Client Financial Instruments are held in an omnibus account(s) which is maintained by a third party, IBIE may enter into arrangements for securities financing transactions, or otherwise use the Client Financial Instruments held in the omnibus account(s) for IBIE's own account or the account of another person on specified terms agreed between us.
- 4.4 IBIE may register your Client Assets in the name of an eligible nominee, and in such circumstances, the Client Assets will not be registered in your name.
- 4.5 Client assets may be held in a pooled account with a third party.
- 4.6 IBIE has a right of use of your Client Assets, in accordance with Clause 7J of this Agreement.
- 4.7 You are responsible for ensuring that all orders and instructions received by IBIE from you in respect of the Client Assets are accurate in all respects and IBIE will not accept any liability arising from any inaccuracy.
- 4.8 IBIE may deposit your Client Assets with a third party outside of Ireland.
- 4.9 Where IBIE holds Client Assets in account(s) with other third parties, your Client Assets may be pooled with the client assets of other clients of IBIE or other persons.
- 4.10 IBIE may retain interest earned on your Client Assets where such Client Assets are held in a third party client asset account.

- 4.11 IBIE may deposit Client Financial Instruments with a third party in a jurisdiction, or one or more jurisdictions, outside of Ireland and the EEA, which does not regulate the holding and safekeeping of financial instruments.
- 4.12 In the case of collateral margined transactions:
- (a) IBIE may pledge, charge or grant a security arrangement over the Client Assets to a relevant party or an eligible custodian;
  - (b) IBIE may use your Client Assets as security for IBIE's own obligations; and
  - (c) IBIE may return to you Client Assets other than the original Client Assets.

## **5. Transfer of Client Assets to depositaries, clearing houses and agents**

You authorise us and our sub-custodians to hold or transfer Client Assets or entitlements to them to securities depositaries, clearing or settlement systems, account controllers or other participants in the relevant systems in the course of providing the services. Such Client Assets or entitlements will be separately identifiable, to the extent allowed by local law, from any assets or entitlements held in the same system for our own account. These entities may be located in or outside of the jurisdiction in which we provide services to you.

## **6. Registration/title and segregation of Client Assets**

- 6.1 In order to show that Client Assets are not available to IBIE creditors, IBIE will ensure that its records show that Client Assets are held for Clients and that they do not belong to IBIE, sub-custodians or any other customers of IBIE.
- 6.2 Where Client Assets are held by a sub-custodian, save as provided under the Client Asset Rules, we cannot guarantee that you would not lose your Client Assets if the sub-custodian fails. Where there is a default by a sub-custodian resulting in a shortfall, you may be required to share in that shortfall in proportion to the value of the Client Assets which our sub-custodian holds for you with other clients.
- 6.3 Client Assets held or deposited with us cannot be put up as security, in whole or in part for any of your obligations towards another third party without the written consent from IBIE. You also cannot use Client Assets held with us as security for a loan without our prior written consent.
- 6.4 Subject to this Schedule 1, registration of Client Assets in the name of IBIE or sub-custodian may mean you lose incentives and shareholder benefits attaching to securities.

## Schedule 2 - Additional Terms Applicable to Contracts for Differences

This Schedule 2 contains additional terms applicable to CFDs. Unless otherwise stated; terms defined in the body of the Agreement have the same meaning in this Schedule 2. If there is any conflict between the terms of this Schedule 2 and the terms in the rest of this Agreement, the terms of this Schedule 2 will prevail.

The terms of this Schedule 2 that are applicable to the Introducing Broker will differ, as specified below, depending on whether the Introducing Broker is entering into a CFD as riskless principal to fill an order for a Retail Account or a Professional Account. When the Introducing Broker is entering into a CFD for its own proprietary account, the terms of this Schedule 2 for Professional Accounts will apply.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage.

The Introducing Broker should consider whether it understands how CFDs work and whether it can afford to take the high risk of losing money.

1. **No Voting or Other Rights in Underlying Product:** With respect to CFDs in shares, no CFD transaction shall confer on the Introducing Broker any right, voting right, title or interest in any underlying product or entitle or oblige the Introducing Broker to acquire, receive, hold, vote, deliver, dispose of or participate directly in any corporate action of any underlying product.
2. **Detailed Contract Specifications Available on the IBIE Website:** Further detail on contract specifications for CFDs will be provided on the IBIE website and the Introducing Broker agrees to review such specifications prior to engaging in any CFD transaction. Contract specifications on the IBIE website shall be binding on the Introducing Broker and on IBIE unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Introducing Broker and IBIE.
3. **Trading Hours, no Obligation to Provide Quotations:** IBIE generally will make CFD quotations available on the IBIE platform beginning after the regular market opens in the underlying product and ending prior to or at the close of regular trading hours in the underlying product, although longer hours may be provided. Regardless of the foregoing, however, IBIE is not obligated to provide quotes for any CFD at any time, and IBIE does not guarantee the continuous availability of quotations or trading for any CFD. **IBIE may in its sole discretion cease quoting CFDs and/or cease entering new CFD transactions at any time** based on lack of market data, halts, suspensions, delistings, errors, illiquidity or volatility in the market for the underlying product, IBIE's own risk or profit parameters, technical errors, communication problems, market or political or economic or governmental events, acts of God or nature, or other reasons. In the event that the Introducing Broker wishes to close an open CFD transaction with IBIE but IBIE is not providing a quotation, if it is during regular trading hours and if the market in the underlying product is trading normally and is not subject to a halt or suspension or other extraordinary market condition, then Introducing Broker may contact IBIE and IBIE shall use reasonable efforts to provide a quotation promptly to the Introducing Broker, absent extraordinary circumstances. Introducing Broker orders sent to IBIE for CFDs are not orders for the underlying product and will not be represented on exchanges that may list or trade the underlying product.
4. **Errors:** IBIE has the right to cancel, adjust or close out CFD transactions after confirmation to the Introducing Broker to correct errors, including but not limited to CFD transactions subject to technical errors in IBIE's platform; CFD transactions at prices not reasonably related to the correct market price for the underlying product; and CFD transactions executed at a time and price at or near which trades in the market for the underlying product were cancelled or adjusted by exchanges or market centres.
5. **Opening and Closing CFD Transactions:** A CFD transaction with IBIE will not expire but rather shall remain open until the Introducing Broker enters an offsetting (closing) transaction or until IBIE exercises any of its rights to close out a transaction with Introducing Broker (e.g., because



of a margin deficiency, because the underlying shares in a CFD held short have become unborrowable, etc.). A CFD transaction may also be closed or be altered or adjusted in the event of an action or event affecting the underlying product as described in this Agreement.

- 6. Settlement:** All transactions relating to CFDs on shares and indexes shall be settled by payment of cash in the currency in which the CFD is denominated. Realised profit/loss and interest cash flows for CFDs involving Forex settle in the quote currency of the relevant currency pair. CFD purchases and sales shall settle in the same settlement period as the underlying product, unless otherwise specified on the IBIE website or in a notice to Introducing Broker. The Introducing Broker does not have any right or obligation to receive delivery of the underlying product in connection with any CFD.
- 7. Commissions, Spreads:** IBIE will charge a commission for CFD transactions, in the amount specified on the IBIE website, and will deduct commissions as described in this Agreement. IBIE, and/or its affiliates or third parties with or through whom IBIE may hedge or effect its CFD trade with the Introducing Broker, may also earn a "bid-ask spread" on the CFD transaction (meaning that the Introducing Broker may pay a higher price to buy the CFD or receive a lower price to sell the CFD compared to the market prices for the underlying product or compared to prices offered for the CFD by other dealers).
- 8. Margin for CFDs:**
- a. CFD transactions are subject to the IBIE Margin Policies described in this Agreement.
    - i. If the Introducing Broker is trading CFDs for a Retail Account, Margin Requirements for CFDs will reflect the CFD Measures as applicable. To the extent that IBIE's Margin Requirements exceed the margin levels prescribed by the CFD Measures as applicable, IBIE may modify Margin Requirements for any CFD or all CFDs for any open or new positions at any time, in IBIE's sole discretion.
    - ii. If Introducing Broker is trading CFDs for a Professional Account, Margin Requirements for CFDs generally will be calculated based on risk models utilised in IBIE's sole discretion. IBIE may modify Margin Requirements for any CFD or all CFDs for any open or new positions at any time, in IBIE's sole discretion.
  - b. The Introducing Broker shall monitor its Consolidated Account, Sub-Accounts and its proprietary account so that at all times (including intra-day) the accounts contain sufficient equity to meet Margin Requirements. IBIE generally will not issue margin calls and generally will not allow any grace period in Introducing Broker's account for Introducing Broker to meet intraday or other margin deficiencies. IBIE is authorised to liquidate CFD and other account positions immediately in order to satisfy Margin Requirements without prior notice.
  - c. IBIE shall calculate a reference price for the CFD after the close of trading on each trading day. For CFDs on shares and indexes the reference price shall generally be based on the daily settlement price of the underlying product on the primary exchange on which the underlying product is traded. However, for those CFDs, and for CFDs involving Forex, IBIE reserves the right to use any reasonable price as the reference price in IBIE's sole discretion (e.g., in the event of a trading interruption or halt at the end of day on the primary exchange, or in the event of other circumstances affecting the underlying product or market pricing, or if the underlying product is not traded on an exchange). After the close of trading, if, on any business day during the term of the CFD, the current reference price is higher than the close of business reference price of the preceding business day, then if the Introducing Broker is long IBIE shall be liable to the Introducing Broker for such difference, and if the Introducing Broker is short the Introducing Broker shall be liable to IBIE for such difference. If, on any business day during the term of the CFD, the current reference price is lower than the close of business reference price of the preceding business day, then if the Introducing Broker is long the Introducing Broker shall be liable to pay IBIE the difference, and if the Introducing Broker is short, IBIE shall be liable to pay the Introducing Broker the difference. IBIE generally will process these credits/debits prior to the opening of trading on the following trading day, but IBIE reserves the right to delay processing if circumstances reasonably warrant the delay.

- d. In the event that any price for an underlying product published on an exchange or by the sponsor of an index, and which is utilised by IBIE for its reference price calculation, is subsequently corrected, IBIE reserves the right to make an appropriate adjustment to the Consolidated Account in the amount payable by Introducing Broker as a result of the erroneous reference price, including any interest due accruing from the date of the error to the date of the correction adjustment.
- 9. Financing Charges (Interest) for CFDs:** The Introducing Broker will pay a financing charge (interest) on the amount of all open long share or index CFD positions held overnight. Depending on prevailing interest rates, and excluding applicable borrow charges, Introducing Broker may receive a rebate (interest) for short CFD positions held overnight or Introducing Broker may pay a financing charge. Introducing Broker will pay a financing charge or receive a rebate on the amount of all rolled-over Forex CFD positions based on a rate calculated as the prevailing cash rebate for the base currency less the cash rate for the quote currency. The rate may be positive or negative, and a positive rate will be a credit for long positions and a charge for short positions. The financing charge or credit is calculated individually for each Forex CFD without regard to other balances Introducing Broker may have in those currencies. Financing charges and/or rebates on open CFD positions are calculated and charged/credited daily in the currency in which the CFD is denominated. CFD interest rates are determined by IBIE and may be adjusted at any time in IBIE's sole discretion. CFD interest rates are indicated on the IBIE website and may vary based on the CFD balance interest. In addition to interest charged or rebated on CFD positions, margin account cash balances may earn (for positive balances) or be charged (for debit balances), cash interest at the prevailing rates on the IBIE website may not be paid for cash balances under specified amounts, and interest rates paid/charged may vary based on the credit/debit balance.
- 10. Short Transactions in CFDs; Possibility of Forced Closure of Open Short Positions; Borrow Charges:** Depending on regulatory restrictions, stock loan and borrow market conditions, or other factors, short sales of CFDs may or may not be allowed depending on the underlying product. Further, IBIE reserves the right, at any time in its sole discretion, to close out open short CFD transactions held by Introducing Broker by requiring Introducing Broker to buy in the CFD or by IBIE issuing order(s) for the Consolidated Account to buy in the CFD (without notice to or consent by Introducing Broker) (including but not limited to in the event that the underlying product becomes difficult or impossible to borrow). In addition to standard CFD financing rebates or charges, borrow charges apply to short sales of CFDs. Borrow charge rates generally are based on the stock loan and borrow market for the underlying product. Indicative borrow charge rates for specific CFDs may be found on the IBIE website but such rates are indicative only and may change at any time based on market conditions or at IBIE's discretion.
- 11. Payments Reflecting Dividends on the Underlying Product:** A CFD does not give the holder the right to receive any cash dividend paid on the shares of the underlying product for share and index CFDs. Instead, if the Introducing Broker is the buyer (long side) in a CFD transaction Introducing Broker will receive a cash credit based on a dividend attributable to the underlying product. If Introducing Broker is the seller (short side) in a CFD transaction the Introducing Broker will be charged a cash debit. Whether the amount of the credit or debit will be based on the gross or net (of taxes) dividend attributable to the underlying product, and whether any additional adjustment or withholding will apply, may vary based on the particular CFD and the rules of the relevant taxation authorities. Please see the IBIE website for more specific information, as well as for information as to the timing of the accrual and settlement of credits/debits arising from a dividend in an underlying product.
- 12. IBIE's Rights to Adjust, Modify and/or Close-Out CFD Transactions in the Event of a Corporate Action Affecting the Underlying Product:** In the event of a corporate action affecting the underlying product of a CFD, particularly in shares (e.g., splits, spin-offs, rights offerings, mergers and acquisitions, etc.):
- a. IBIE in its sole discretion will determine the appropriate adjustment or modification or action to take, if any, and when, with respect to the CFD to preserve the reasonable economic equivalent of the rights and obligations of the parties. The adjustment or modification may result in the issuance of additional CFD positions (long or short) in the underlying product

for the Consolidated Account, the reduction of CFD positions in the underlying product in the Consolidated Account, issuance of CFDs on a related underlying product for the Consolidated Account, cash credits or debits to the Consolidated Account, and/or other appropriate adjustments or modifications.

- b. As an addition or alternative to making an adjustment or modification to a CFD in the event of a corporate action, IBIE reserves the right in its sole discretion to close out open CFD positions held by the Introducing Broker in the underlying product (without notice to or consent by Introducing Broker) prior to the corporate action, or to require the Introducing Broker to close out any open CFD position in the underlying product.
- 13.** Without limiting IBIE's rights as set forth in paragraphs a) and b) above to take whatever action IBIE deems appropriate in its discretion with respect to a corporate action affecting the underlying product, IBIE generally will apply the following principles:
- a. When a corporate action results in the creation of new shares (reduction of existing shares) in the underlying product, IBIE generally will create additional CFDs (reduce existing CFDs) held long or short in the Consolidated Account to mirror the corporate action.
  - b. If the corporate action results in the creation of a new entity with listed shares or a new type of shares for the same entity, and IBIE determines in its sole discretion that it will offer CFD transactions in respect of the new entity shares or new type of shares, then IBIE generally will create a long or short position, as appropriate, in the Consolidated Account in the CFDs in the new entity or new share class in the appropriate amount.
  - c. In other cases, including for any resulting fractional shares in cases otherwise referenced above, IBIE will credit or debit the Consolidated Account with a cash adjustment determined in IBIE's reasonable judgment to preserve the economic equivalent of the rights and obligations of the parties.
  - d. If IBIE determines, in its sole discretion, that it is unable reasonably to determine a cash adjustment amount, IBIE generally will terminate the CFD five days prior to the ex-date for the corporate action, or as soon as practicable if the announcement of the corporate action is less than five days from the effective date.

**14. Market Abuse:**

- a. The Introducing Broker represents and warrants that: (a) it will not open, and has not opened, any CFDs with IBIE relating to a particular financial instrument, if to do so would result in the Introducing Broker, or persons related to the Introducing Broker, having an exposure to that financial instrument which is equal to or exceeds the amount of a declarable interest under any laws, rules or regulations in the relevant company unless the Introducing Broker, or persons related with the Introducing Broker, make the required declarations and notify the Introducing Broker who will in turn notify IBIE about the Introducing Broker's declarable interest immediately; (b) the Introducing Broker will notify IBIE and keep IBIE updated at all times of its aggregate declarable interests; (c) Introducing Broker will not open, and have not opened, any CFDs with IBIE in connection with: (i) a placing, issue, distribution or other analogous event; or (ii) an offer, take-over, merger or other analogous event in which the Introducing Broker is involved or otherwise interested; and (d) the Introducing Broker will not open, and has not opened, any CFDs that contravene any primary or secondary legislation or other law, including those against insider trading.
- b. The Introducing Broker agrees that IBIE may proceed on the basis that when Introducing Broker opens or closes a CFD with IBIE on a financial instrument price, the Introducing Broker may be treated as trading in securities within the meaning of the European Union (Market Abuse Regulations) 2016 and Regulation (EU) No 596/2014 on market abuse.
- c. If IBIE has grounds to believe that the Introducing Broker has opened any CFD in breach of the representations in this Agreement, IBIE may in its sole discretion and without being under any obligation to inform the Introducing Broker of its reason for doing so, close that CFD and

any other CFDs that the Introducing Broker may have open at the time. IBIE may also: (a) enforce the CFD or CFDs against the Introducing Broker if it is a CFD or CFDs under which the Introducing Broker has lost money; and (b) treat all of the Introducing Broker's closed CFDs as void if they are CFDs under which the Introducing Broker has made money, unless and until the Introducing Broker produces, promptly upon IBIE's request, conclusive evidence that Introducing Broker in fact has not committed any breach of warranty, representation or undertaking.

- d. The Introducing Broker acknowledges that IBIE shall not transfer voting rights relating to an underlying product to the Introducing Broker or otherwise allow the Introducing Broker to influence the exercise of voting rights held by IBIE or on its behalf.

## Schedule 3 - Additional Terms Applicable to OTC Precious Metals

This Schedule 3 contains additional terms applicable to OTC Precious Metals. Unless otherwise stated, terms defined in the body of the Agreement have the same meaning in this Schedule 3. If there is any conflict between the terms of this Schedule 3 and the terms in the rest of this Agreement the terms of this Schedule 3 will prevail.

1. **Nature of OTC Precious Metals Transactions:** Transactions in OTC Precious Metals are transactions with IBIE as your counterparty, and are not traded on a regulated exchange and are not cleared or settled on a central clearing house. All OTC Precious Metals transactions with IBIE are on an unallocated basis, meaning IBIE will not "allocate" to you nor segregate on your behalf specific lots of Precious Metal. Rather, IBIE has custodial arrangement(s) with third parties ("**Precious Metals Custodians**") for storage of unallocated Precious Metals on a net basis for IBIE. IBIE may use these arrangements or other arrangements (such as derivatives contracts) obligating third parties to deliver Precious Metals to IBIE. Precious Metals held in an unallocated account are not segregated from IBIE's or its Precious Metals Custodian's assets, and Precious Metals credited to an unallocated account represent only the dealer's obligation to deliver Precious Metals and do not constitute ownership of any specific lots of Precious Metals.
2. **Delivery of Precious Metals:** IBIE generally will allow you to take physical delivery of an underlying Precious Metal upon your request, by arrangement with IBIE's Precious Metals Custodian, subject to their delivery policies. Physical delivery of Precious Metals may require minimum delivery quantities and may involve additional charges. The collection of Precious Metals from the vaults of IBIE's Precious Metals Custodian is at your expense and risk and you are solely responsible for transportation and security procedures. IBIE's Precious Metals Custodian is entitled to select which bars are to be made available. Please consult the IBIE website for IBIE's policies regarding physical delivery of Precious Metals.
3. **Alternative to Delivery of Precious Metals:** At its discretion, IBIE may pay you cash equal to the value of any OTC Precious Metal that is the subject of a withdrawal request by you, rather than providing for physical delivery of Precious Metal.
4. **Detailed Transaction Specifications Available on the IBIE Website:** Further detail on transaction specifications for OTC Precious Metals may be provided on the IBIE website and Client agrees to review such specifications prior to engaging in any OTC Precious Metals transaction. Transaction specifications on the IBIE website shall be binding on the Client and on IBIE unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Client and IBIE.
5. **No Obligation to Provide Quotations:** IBIE is not obligated to provide quotes for any OTC Precious Metal at any time, and IBIE does not guarantee the continuous availability of quotations or trading for any OTC Precious Metal. **IBIE may in its sole discretion cease quoting Precious Metals and/or cease entering new Precious Metals transactions at any time.**
6. **Errors:** IBIE has the right to cancel, adjust or close out OTC Precious Metals transactions after confirmation to you to correct errors, including but not limited to OTC Precious Metals transactions subject to technical errors in IBIE's platform, OTC Precious Metals transactions cancelled or adjusted by IBIE's counterparties in connection with IBIE's execution of your transaction, and OTC Precious Metals transactions executed at prices not reasonably related to the correct market price.

7. **Settlement:** All transactions relating to OTC Precious Metals shall be settled by payment of cash in U.S. dollars or the currency in which the OTC Precious Metal was quoted, if not in dollars. OTC Precious Metals purchases and sales generally shall settle in two business days, unless otherwise specified on the IBIE website or in a notice to Clients.
  
8. **Commissions, Spreads:** IBIE will charge a commission for OTC Precious Metals transactions, in the amount specified on the IBIE website, and will deduct commissions as described in this Agreement. IBIE, and/or its affiliates or third parties with or through whom IBIE may hedge or effect its Precious Metals trade with you, may also earn a "bid-ask spread" on the Precious Metals transaction (meaning that you may pay a higher price to buy the Precious Metal or receive a lower price to sell the Precious Metal compared to the market prices for the Precious Metal or compared to prices offered for the Precious Metal by other dealers). Margin for OTC Precious Metals:
  - a. OTC Precious Metals transactions are subject to the IBIE Margin Policies described in this Agreement. Margin Requirements for Precious Metals will be calculated based on risk models utilised in IBIE's sole discretion. IBIE may modify Margin Requirements for any Precious Metal or all Precious Metals for any open or new positions at any time, in IBIE's sole discretion.
  
  - b. Introducing Broker shall monitor its account so that at all times (including intra-day) the account contains sufficient equity to meet Margin Requirements. IBIE generally will not issue margin calls and generally will not allow any grace period in the Account for Introducing Broker to meet intraday or other margin deficiencies. IBIE is authorised to liquidate Precious Metals and other account positions immediately in order to satisfy Margin Requirements without prior notice.
  
9. **Borrow Fees and Carrying Fees for OTC Precious Metals:** You will pay a carrying fee on the amount of all open long Precious Metals positions held overnight, and a borrow fee on short positions held overnight. Borrow fees and carrying fees on open Precious Metals positions are calculated and charged daily in the currency in which the Precious Metal transaction is denominated. Fee rates are determined by IBIE and may be adjusted at any time in IBIE's sole discretion and may vary based on the balance.
  
10. **Short Transactions in Precious Metals; Possibility of Forced Closure of Open Short Positions:** Depending on regulatory restrictions and market conditions or other factors, short sales of Precious Metals may or may not be allowed. Further, IB reserves the right, at any time in its sole discretion, to close out your open short transaction by requiring you to buy in the Precious Metal or by IBIE issuing order(s) for your account to buy in the Precious Metal (without notice to or consent by you).

## Schedule 4 - Additional Terms Applicable to OTC Metal Futures

This Schedule 4 contains additional terms applicable to OTC Metal Futures. Unless otherwise stated, terms defined in the body of the Agreement have the same meaning in this Schedule 4. If there is any conflict between the terms of this Schedule 4 and the terms in the rest of this Agreement the terms of this Schedule 4 will prevail.

OTC Metal Futures are Over-the-Counter derivatives contracts ("**OTC Metal Futures**") which are intended to reference the prices of the corresponding London Metal Exchange ("**LME**") futures. Entering into an OTC Metal Future does NOT constitute holding an LME position.

1. **Nature of the OTC Metal Futures:** OTC derivatives contracts in respect to certain metals ("**Metals**") are contracts which are intended to reference the corresponding Metal exchange registered future, in terms of price, type and specification of metal and lot size, but are not themselves exchange registered contracts, as they are not made between two Metal exchange clearing members and are not matched and registered with the Metal exchange. An OTC Metal Future is an OTC transaction with IBIE as your counterparty that generally reflects the prices provided under a licence by the LME of a contract to buy or sell a standard quantity of a Metal on a fixed date at a price agreed on transaction day. The transaction you enter with IBIE is OTC and it is not an LME registered client contract.
2. **Detailed Contract Specifications Available on the IBIE Website:** Further detail on contract specifications for OTC Metal Futures are provided on the IBIE website and Client agrees to review such specifications prior to engaging in any OTC Metal Futures transaction. Contract specifications on the IBIE website shall be binding on Client and on IBIE unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Client and IBIE.
3. **Close-Out Deadline:** Introducing Broker agrees to close out any open position in OTC Metal Futures by offset three (3) business days prior to the prompt/expiry date of the corresponding exchange registered contract. It is the Introducing Broker's responsibility to make itself aware of the last trading date for such contracts and the prompt/expiry date. If Introducing Broker has not closed out any position, IBIE shall have the right to liquidate Introducing Broker's position in the expiring contract, at any time and in any such manner as IBIE deems necessary, without prior notice to Introducing Broker.
4. **No Obligation to Provide Quotations:** IBIE is not obligated to provide quotes for any OTC Metal Futures at any time, and IBIE does not guarantee the continuous availability of quotations or trading for any OTC Future on Metals. **IBIE may in its sole discretion cease quoting and/or cease entering new OTC Metal Futures at any time.**
5. **Errors:** IBIE has the right to cancel, adjust or close out OTC Metal Futures after confirmation to you to correct errors, including but not limited to transactions subject to technical errors in IBIE's platform, hedging transactions cancelled or adjusted by IBIE's counterparties in connection with IBIE's execution of your transaction, and OTC Metal Futures executed at prices not reasonably related to the correct market price.
6. **Settlement:** All transactions relating to OTC Metal Futures shall be settled by payment of cash in U.S. dollars or the currency in which the OTC Metal Future was quoted, if not in dollars. Contracts shall settle in two business days, unless otherwise specified on the IBIE website or in a notice to Clients.

7. **Commissions, Spreads:** IBIE will charge a commission for OTC Metal Futures, in the amount specified on the IBIE website, and will deduct commissions as described in this Agreement. IBIE, and/or its affiliates or third parties with or through whom IBIE may hedge or effect its OTC Metal Futures trade, may also earn a "bid-ask spread" on the OTC Metal Futures transaction (meaning that you may pay a higher price to enter into the OTC Metal Future or receive a lower price to close the OTC Metal Future compared to the market prices for the future on the underlying Metal or compared to prices offered for the Metal future on the underlying Metal by other dealers).
8. **Margin for OTC Metal Futures:** OTC Metal Futures are subject to the IBIE Margin Policies described in this Agreement. Margin Requirements for OTC Metal Futures will be calculated based on risk models utilised in IBIE's sole discretion. Further information is available on the IBIE website. IBIE may modify Margin Requirements for contracts on any underlying Metal or all underlying Metals for any open or new positions at any time, in IBIE's sole discretion. Introducing Broker shall monitor the Account so that at all times (including intra-day) the Account contains sufficient equity to meet Margin Requirements. IBIE generally will not issue margin calls and generally will not allow any grace period in the Account for introducing Broker to meet intraday or other margin deficiencies. IBIE is authorised to liquidate OTC Metal Futures and other account positions immediately in order to satisfy Margin Requirements without prior notice.
9. **Borrow Fees and Carrying Fees for OTC Metal Futures:** Introducing Broker will pay a carrying fee on the amount of all open long OTC Metal Futures positions held overnight, and a borrow fee on short positions held overnight. Borrow fees and carrying fees on open OTC Metal Futures are calculated and charged daily in the currency in which the contract is denominated. Fee rates are determined by IBIE and may be adjusted at any time in IBIE's sole discretion and may vary based on the balance. Fee rates are indicated on the IBIE website.
10. **Short Transaction in OTC Metal Futures; Possibility of Forced Closure of Open Short Positions:** Depending on regulatory restrictions, market conditions or other factors, short sales of OTC Metal Futures may or may not be allowed. Further IBIE reserves the right, at any time in its sole discretion, to close out your open short position by requiring Introducing Brokers to buy in the OTC Metal Futures or by IBIE issuing order(s) for Account to buy in the OTC Metal Futures (without notice or consent by you).
11. **Position Limits:** IBIE may choose to or may be required to limit the number of contracts which you might have with us at any time and IBIE may in its sole discretion close out any one or more contracts in order to ensure that such position limits are maintained.
12. **Market Disruption:** In the event of severe market disruption and/or price volatility which may result or may have resulted in the current market value of a Metal moving to an unusual level, IBIE reserves the right to take one or more of the following courses of action (a) to close out any contract where significant loss has occurred or is expected by us; (b) to decline to renew expiring, or enter into new contracts. Trading activity on the Metals may from time to time be suspended or restricted by the exchange in the interests of, inter alia, maintaining a fair and orderly market. In such circumstances, IBIE may be unable to enter into or close out OTC Metal Futures.
13. **NOT an Exchange Transaction:** Introducing Broker understands and acknowledges that each OTC Metal Future entered with IBIE is governed by this Agreement, not by the rules of the exchange where the future on the Metal is traded. Introducing Brokers also acknowledges that each Metal Future is an OTC transaction that is separate and distinct from the Metal exchange registered contract.



14. **Use of LME Data:** Prices and other data emanating directly or indirectly from the LME (“**LME Data**”) that might be displayed, from time to time, on the IB Trader Workstation are subject to the terms of a licence agreement between IBIE and the LME. Introducing Broker acknowledges that (a) any calculation that IBIE might create using the LME Data is different and distinct from the prices quoted by the LME; (b) the LME retains all the intellectual property rights over the LME Data, including those referred to in derived calculations. Introducing Brokers is prohibited from copying, distributing, transmitting or otherwise making available to third parties any of the LME Data displayed on the IB Trader Workstation.

## Schedule 5 - Risk warnings and Information on Financial Instruments

This Schedule is intended to give you a general description of the nature and risk inherent to a range of financial instruments and services that may be available to you as a Client of ours, as well as more general risks associated with investment markets. You should note that this Schedule cannot disclose all the risks and other significant aspects of those instruments, services or markets.

You should tread this Schedule attentively and make sure you understand the below. There are risks involved in relation to any investment.

We have set an outline of some general risk warnings that are relevant to most asset classes and investment strategies and of which you should be aware:

- a) You should always remember that you may not get back the amount originally invested as the value of the investments, and the income from them can go down as well as up. There are no guaranteed returns. The price or value of an investment will depend on fluctuations in the financial markets that are outside our control;
- b) Past performance is not a guide to future performance;
- c) The value of an individual investment may fall as a result of a fall in markets depending, for example, on the level of supply and demand for a particular financial instrument, the investors or market perception, the prices of any underlying or related investments or other political and economic factors;
- d) With regard to investments designated to be held for the medium to long-term or with limited liquidity or with a fixed maturity date or with significant up-front costs, you should be aware that early redemption may result in lower than expected returns, including the potential for loss to the amount invested;
- e) Trading in off exchange investments, that is investments which are not traded under the rules of a regulated market or exchange or where there is no recognised market, and which are not settled through a regulated clearing house, exposes the investor to the additional risk that there is no certainty that the market makers will be prepared to deal in such investments and as a consequence there might be no secondary market for such investments. There may also be restrictions in relation to access and liquidity, for example, investments may only be made or redeemed on certain dates or with prescribed period of notice. You should be aware that it may be difficult to obtain reliable information about the current value of such investments or the extent of the risks to which they exposed;
- f) You will be exposed to concentration risk where there is an insufficient level of diversification in your account and you are excessively exposed to one or a limited number of investments;
- g) Correlation risk refers to the probability that the actual correlation between two assets or variables will behave differently than what anticipated. The consequence is that your portfolio could be riskier than originally envisaged. Correlation is a term used to compare how one asset class might behave in comparison to another asset class. Assessing the correlation between different assets in your portfolio is important in managing the riskiness of the account;
- h) Volatility is a statistical measure of the tendency of an individual investment to feature significant fluctuations in value. Commonly, the higher the volatility, the riskier the investment;
- i) Regulatory/Legal risk is the risk from regulatory or legal actions and changes which may reduce the profit potential of an investment or cause a loss on your investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal or if affects the tax treatment of your investment may impact its profitability. Such risk is unpredictable and may

depend on various political, economic and other factors;

- j) Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact the ability of closing your investments or otherwise transact.

In addition to the above, there are three types of generic risks that you should review and understand before dealing in financial instruments. The Risk Types are generically referred to below as Market Risk, Liquidity Risk and Credit and Default Risk

### 1.1 Market Risks

#### Interest rate risk

Interest rate sensitivity means that prices change relative to current and future interest rate expectations. For example, if interest rates are expected to rise the price of a fixed rate bond may fall and consequently a sale of the bond at such time crystallise a loss. Conversely, a fall in interest rates may result in the increase in value of a fixed rate bond. Interest rate changes may also directly or indirectly impact the value of other financial instruments that do not provide for a return on a fixed rate basis.

#### Inflation Risk

The risk that the rate of price increases in the economy deteriorates the returns associated with an investment. The real value (the value adjusted for the impact of inflation) of an investment will fall as a result of the rate of inflation exceeding the rate of return of the investment. This risk has the greatest effect on fixed-rate inflation-linked bonds, which have a set interest rate from inception. For example, if an investor purchases a 4% fixed bond and the inflation rises to 8% a year, the bondholder will lose money on the investment because the purchasing power of the proceeds has been greatly diminished.

#### Exchange Rates Risk

Exchange rate changes may cause the value of investments to rise or fall relative to the base currency, any movement in currency exchange rates may have a favourable or an unfavourable impact on the profit or loss of the investment.

#### Emerging Markets Risk

Emerging Markets generally have limited transparency, liquidity, efficiency and regulations compared to developed markets,

the reaction of the local financial markets to news and other geo-political events may result in a more extreme variation in prices of emerging market instruments compared to developed markets.

### 1.2 Liquidity Risk

Liquidity risk is the inability to buy or sell an investment at the desired time, or to transact in an instrument at all. When a delay occurs, such delay may affect the price at which such asset can actually be bought or sold. Also, instruments that are illiquid or that trade in lower volumes may be more difficult to value or to obtain reliable information about their value.

Liquidity risk is linked to a variety of factors such as:

- The particular terms and conditions of an instrument;
- The fact that the instrument is not publicly traded or listed on an exchange;
- Adversely perceived market developments;
- The fact that the ownership of an investment is highly concentrated in one or small number of investors;
- A reduced number of financial institutions operating as market maker in the relevant financial instruments. For example, in the case of securitised derivatives (such as structured products), the only market maker might be the issuer itself (or an affiliated entity), who might provide a limited undertaking to act as market maker;
- The fact that market participants may attempt to sell holdings at the same time as the investor, and there may be insufficient liquidity to accommodate these sales.

These factors may exist at the time of investment or may arise subsequently.

### 1.3 Credit and Default Risks

Counterparty or credit risk arises if a party connected to a transaction is unable to meet its obligations. In certain circumstances, these risks may mean that you will not get back the sum invested, or the return anticipated from such transaction.

#### Insolvency Risk

Our insolvency or default, or that of other parties involved with your transaction, may result to positions being liquidated without your

consent. In certain circumstances, you may not get back the actual assets which you posted as collateral and you may have to accept any available payments in cash.

### **Bail-in Risk**

This is the risk that the financial instruments of certain issuers, including banking institutions, investment firms and certain banking group companies, may be subject to action taken by governmental, banking and/or other regulatory authorities, for example to address banking crises pre-emptively, whether or not the express terms of a financial instrument anticipate such action. The relevant authorities may have broad discretion on the action they may take, and their powers may be extended in response to particular events.

Examples of the action they may be able to take could include the following:

- The reduction, including to zero, of the principal of the bonds/debentures of such issuers;
- The conversion of such bonds/debentures into equities or other instruments of ownership (resulting in the dilution of ownership interests of existing shareholders);
- The variation of the terms, including with respect to maturity and/or the payment of interest, of such bonds/debentures; and shareholders being divested of their shares.

### **Financial Instruments and investments**

Set out below is an outline of the risks associated with certain types of financial instruments.

## **1. Shares and other equity-like instruments**

### **1.1 Equities or shares**

Equities or shares represent shareholder's rights and interests in a company. One share represents a fraction of a company's share capital and a shareholder may benefit from an increase in the value of the share, although this is not guaranteed. Shareholders may also qualify for dividend payments, but these are paid only at the discretion of the company's management. A shareholder has no right to return of capital and the shares could become valueless in the event of insolvency of the company.

A shareholder's return from investing in the equity will depend to a large extent on the

market price of the equities at the time of the sale. The market price of an equity is determined by a number of factors that affect the supply and demand for that equity, including, but not limited to:

- fundamentals about the company: such as profitability of the company and strength of the company's management;
- domestic and international factors: such as the exposure of the company to international events or market factors;
- sector specific factors: such as the economic cycle of a specific industry and changes in the prices of commodities or in consumers' demands.

Shares in smaller companies may carry an extra risk of losing money as there can be a big difference between the buying price and the selling price of these securities. If shares in smaller companies have to be sold immediately, you may get back much less than you paid for them. The price may change quickly, and it may go down as well as up.

Shares are generally a fairly volatile asset class – their value tends to fluctuate more than other financial instruments such as bonds. Holding shares is high risk – if you put your money into one company and that company becomes insolvent then you will probably lose most, if not all, of your money.

### **1.2 Penny shares**

There is an extra risk of losing money when shares are bought in some smaller companies or in companies of which the shares are traded at very low prices compared to their nominal value, such as "penny shares". There may be a (relatively) big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.

## **2. Warrants**

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can

therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise his right within the predetermined time-scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a "covered warrant").

### 3. Money-market instruments

Money-market instruments are collective investment schemes which invest money in cash or cash equivalents, such as short term loans to the government that pay a fixed rate of interest. The loan is for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow.

### 4. Fixed interest or bonds

Fixed interest, bonds or debt securities are payment obligation of a party, usually referred to as the issuer. Bonds have a nominal value, which is the amount that, subject to Credit and Default Risk, will be returned to the bondholder when the securities mature at the end of the investment period. The nominal value of a bond is distinct from its price or market value. Bonds can be bought or sold in the market (like shares) and their price can vary from day to day. A rise or fall in the market price of a bond does not affect, subject to Credit and Default Risk, what you would get back if you hold the bond until it matures.

While the price of a bond is subject to market's fluctuations, when close to maturity the market price tends to reflect the bond's nominal value. The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer and changes to market interest rate expectations.

For some bonds there may be a restricted market and it may be more difficult to deal in them or obtain reliable information about their value (and it might be more difficult to establish a proper market in them for the purposes of making a subsequent sale).

The risk associated with investing in bonds include, but are not limited to:

- Interest Rate Risk;
- Inflation Risk;
- Credit and Default Risk.

If an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered, and any amounts repaid may take a significant amount of time to obtain.

### 5. Commodities

Commodity based investments, whether made by investing directly in physical commodities, for example gold, or by investing in companies whose business is substantially concerned with commodities or through commodity linked products, may be impacted by a variety of political, economic, environmental and seasonal factors. These relate to real world issues that impact either on demand or on the available supply of the commodity in question. Other factors that can materially affect the price of commodities include regulatory changes, and movement in interest rates and exchange rates. Their value can fall as well as rise, and in some cases an investment in commodity linked products might result in the delivery of the underlying.

### 6. Mutual Funds

A mutual fund is a scheme under which assets are held on a pooled basis on behalf of a number of investors. It may be structured in a number of ways, for example, in the form of a company, partnership or trust. The level of risk of investing in a mutual fund depends on the underlying investments in which the scheme is invested and how well diversified it is. Investments may typically include bonds and exchange traded equities but depending on the type of scheme may include derivatives, real estates or riskier assets. There are risks relating to the assets held by the scheme and investors should check and understand the type of

assets included in the pool and the scheme's investment strategy.

## 7. Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs)

ETFs and ETPs are investment funds and other securities that are traded like shares and which invest in a diversified pool of assets such as shares, bonds or commodities. In general, they track the performance of a benchmark or financial index and the value of the investment will fluctuate accordingly. Some ETFs and ETPs employ complex techniques or hold riskier assets to achieve their objectives, for more details please review carefully the "*Risk Disclosure For Trading Leveraged, Inverse And Volatility-Based Exchange Traded Products*".

## 8. Structured products

Structured products are the generic name for products which provide economic exposure to a wide range of underlying asset classes. The level of income and/or capital growth derived from a structured product is usually linked to the performance of the relevant underlying assets. Structured products are generally issued by financial institutions and therefore the products are subject to the credit risk of the issuer. If the issuer is unable to repay sums due under the terms of the product, this may affect the returns under the structured product and result in a total loss of the initial investment. Before you make a decision to invest in a structured product you should review the "*Risk Disclosure Statement for Trading Structured Products (including warrants) with Interactive Brokers*".

## 9. Derivatives, including futures, options and contracts for differences

### 9.1 Derivatives generally

Derivatives are financial instruments whose prices are derived from an underlying asset. Examples of derivatives include futures, options and Contracts for Differences. Transactions in derivative instruments involve a higher risk than a direct investment in the underlying asset. As the derivatives' value is dependent on the future value of underlying assets, a movement in the value of the underlying assets may result in an amplified change in the value of the derivative.

### 9.2 Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 10.6.

### 9.3 Options

There are many different types of options with different characteristics subject to the following condition. Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the futures. This will expose you to the risks described under "futures" and "contingent liability investment transactions."

Writing options: If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as "covered call options") the risk is reduced. If you do not own the underlying asset ("uncovered call options") the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Traditional options: Certain London Stock Exchange member firms under special

exchange rules write a particular type of option called a "traditional option." These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

#### **9.4 Contracts for Differences**

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on an index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 9.2 and 9.3 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implication of this as set out in paragraph 10.6.

### **10. Risks relevant to certain types of transactions and arrangements**

#### **10.1 Off-Exchange transactions**

Transactions that are conducted off-exchange ("OTC Transactions") may involve greater risk than dealing in exchange traded instruments because there is no exchange market through which to liquidate your position, or to assess the value of the instruments or the exposure to the risk.

OTC Transactions carry a higher settlement risk.

Settlement risk is the risk that the counterparty does not deliver the security (or equivalent assets) as required under the agreed terms. This results in one party to the transaction not receiving the securities or assets they are entitled to. This risk increases where it is not possible to

exercise netting where the amounts delivered by each party will partially or completely cancel each other out.

Liquidity Risk as described above is higher in OTC Transactions. There is no exchange market through which to liquidate your position, or to assess the value of the OTC Transaction or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

#### **10.2 Off-exchange transactions in derivatives**

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction. While some off-exchange markets are highly liquid, transactions in off-exchange or "non-transferable" derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

#### **10.3 Foreign markets**

Foreign markets will involve different risks from the EU markets. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

#### **10.4 Commissions**

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total

contract value, and not simply as a percentage of your initial payment.

### 10.5 Collateral

If you deposit collateral as security with us, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash.

### 10.6 Contingent liability investment transactions.

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures contracts for differences or sell options, you may sustain a total loss of the margin you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

### 10.7 Gearing or leverage

Gearing or leverage is a strategy, with a view to enhancing the return from, or the value of, an investment involving the following:

- a) borrowing money;
- b) investing in one or more instruments, such as warrants or derivatives, for which a relatively small movement in the value or price of the underlying rights or assets results in a larger movement in the value or price of the instrument;

- c) structuring the rights of holders of an investment so that a relatively small movement in the price or value of the underlying rights or assets, results in a larger movement in the price or value of the investment; and

- d) you may lose more than you had initially invested.

You should be aware that the strategy used or proposed for the gearing may result in:

- a) movements in the price of the investment being more volatile than the movements in the price of underlying rights or assets;

- b) the investment being subject to sudden and large falls in value; and

- c) you are getting back nothing at all if there is a sufficiently large fall in value in the investment.

### 10.8 Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rule of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### 10.9 Clearing house protections

On many exchanges, the performance of a transaction by us (or third party with whom we are dealing on your behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if us or another party defaults on its obligations to you. On request, we will explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognized or designated investment exchange



## Schedule 6 - Information Statement In Accordance With Article 15 of the Securities Financing Transactions Regulation (The “Information Statement”)

THIS INFORMATION STATEMENT APPLIES IF YOU HAVE ENTERED INTO, OR MAY IN FUTURE ENTER INTO A COLLATERAL ARRANGEMENT DURING THE COURSE OF YOUR RELATIONSHIP WITH US.

This Information Statement is provided for information purposes only and does not amend or supersede the express terms of any Transaction, Agreement, Collateral Arrangement or any rights or obligations you may have under applicable law, create any rights or obligations, or otherwise affect your or our liabilities and obligations.

This Information Statement is not intended to be, and should not be relied upon as, legal, financial, tax, accounting or other advice.

### 1. INTRODUCTION

- 1.1 You have received this Information Statement because you have entered into or may hereafter enter into one or more security collateral arrangements containing a right of use or, if you are a Professional Client and in certain limited circumstances where agreed between the parties, title transfer collateral arrangements (“**Collateral Arrangements**”) with us.
- 1.2 This Information Statement has been prepared to comply with Article 15 of the Securities Financing Transactions Regulation by informing you of the general risks and the consequences that may be involved in consenting to a right of use of collateral provided under a security collateral arrangement or, or in certain limited circumstances and where agreed between the parties, if you are a Professional Client, a title transfer collateral arrangement with respect to money or non-cash assets belonging to you (“**Re-use Risks and Consequences**”). This Information Statement relates only to Re-use Risks and Consequences and does not address any other risks or consequences that may arise as a result of your particular circumstances or as a result of the terms of a particular Transaction.

### 2. RE-USE RISKS AND CONSEQUENCES

- 2.1 If we exercise a right of use in relation to cash or non-cash assets that you have provided to us by way of collateral under a security collateral arrangement (“**Relevant Assets**”), we draw your attention to the following Re-use Risks and Consequences:
- a. Your ownership rights, including any proprietary rights that you may have had, in those Relevant Assets will be replaced by an unsecured contractual claim for delivery of equivalent cash or non-cash assets subject to the terms of the relevant Collateral Arrangement;
  - b. those Relevant Assets will not be held by us in accordance with client money or client asset rules, and, if they had benefited from any client money or client asset protection rights, those protection rights will not apply (for example, the Relevant Assets will not be segregated from our assets);
  - c. in the event of our insolvency or default under the relevant Transaction or Agreement your claim against us for delivery of equivalent cash or non-cash assets will not be secured and will be subject to the terms of the relevant Collateral Arrangement and applicable law and, accordingly, you may not receive such equivalent cash or non-cash assets or recover the full value of the Relevant Assets (although your exposure may be reduced to the extent that you have liabilities to us which can be set off or netted against or discharged by reference to our obligation to deliver equivalent cash or non-cash assets to you);
  - d. in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to us, any rights you may have to take any action against us, such as to

terminate our Agreement, may be subject to a stay by the relevant resolution authority and:

- i) your claim for delivery of equivalent cash or non-cash assets may be reduced (in part or in full) or converted into equity; or ii) a transfer of assets or liabilities may result in your claim on us, or our claim on you, being transferred to different entities, although you may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights;

- e. as a result of your ceasing to have a proprietary interest in those Relevant Assets you will not be entitled to exercise any voting, consent or similar rights attached to the Relevant Assets, and even if we have agreed to exercise voting, consent or similar rights attached to any equivalent assets in accordance with your instructions or the relevant Collateral Arrangement entitles you to notify us that the equivalent assets to be delivered by us to you should reflect your instructions with respect to the subject matter of such vote, consent or exercise of rights, in the event that we do not hold and are not able to readily obtain equivalent assets, we may not be able to comply (subject to any other solution that may have been agreed between the parties);
  - f. in the event that we are not able to readily obtain equivalent assets to deliver to you at the time required: you may be unable to fulfil your settlement obligations under a hedging or other Transaction you have entered into in relation to those Relevant Assets; a counterparty, exchange or other person may exercise a right to buy-in the Relevant Assets; and you may be unable to exercise rights or take other action in relation to those Relevant Assets;
  - g. subject to any express agreement between you and us, we will have no obligation to inform you of any corporate events or actions in relation to those Relevant Assets;
  - h. you will not be entitled to receive any dividends, coupon or other payments, interests or rights (including securities or property accruing or offered at any time) payable in relation to those Relevant Assets, although the express written terms of the relevant Collateral Arrangement may provide for you to receive or be credited with a payment by reference to such dividend, coupon or other payment (a "**manufactured payment**");
  - i. a title transfer collateral arrangement or our exercise of a right of use under a security collateral arrangement in respect of any Relevant Assets and the delivery by us to you of equivalent assets may give rise to tax consequences that differ from the tax consequences that would have otherwise applied in relation to the holding by you or by us for your account of those Relevant Assets;
  - j. where you receive or are credited with a manufactured payment, your tax treatment may differ from your tax treatment in respect of the original dividend, coupon or other payment in relation to those Relevant Assets.
- 2.2 Where we provide you with clearing services (whether directly as a clearing member or otherwise), we draw your attention to the following additional Re-use Risks and Consequences:
- a. if we are declared to be in default by a CCP, the CCP may, pursuant to applicable law, try to transfer ("**port**") your Transactions and cash or non-cash assets to another clearing member or, if this cannot be achieved, the CCP may terminate your Transactions;
  - b. in the event that other parties in the clearing structure default (including (but not limited to) a CCP, a custodian, a settlement agent or any clearing broker that we may instruct) you may not receive all of your cash or non-cash assets back and your rights may differ depending on the law of the country in which the relevant party is incorporated (which may not necessarily be Irish law) and the specific protections that such party has put in place;
  - c. in some cases a CCP may benefit from legislation which protects actions it may take under its default rules in relation to a defaulting clearing member (e.g., to port transactions and related assets) from being challenged under relevant insolvency law.

### 3. DEFINITIONS

The following definitions are applicable to this Information Statement:

**"Agreement"** means any agreement between you and us pursuant to which a Collateral Arrangement arises or may arise.

**"Collateral Arrangement"** means a (a) title transfer collateral arrangement or (b) security collateral arrangement.

**"CCP"** means an entity authorised by the relevant regulatory authority to act as a central counterparty or clearing house.

**"right of use"** means any right we have to use, in our own name and on our own account or the account of another counterparty, cash or non-cash assets received by us by way of collateral under a security collateral arrangement between you and us.

**"security financial collateral arrangement"** means an arrangement under which a collateral provider provides financial collateral by way of security in favour of, or to, a collateral taker, and where the full ownership of the financial collateral remains with the collateral provider when the security right is established and where the arrangement contains a right of use in favour of the collateral taker.

**"title transfer collateral arrangement"** means any arrangement under which a collateral provider transfers full ownership of financial collateral (cash or non-cash assets) to a collateral taker for the purpose of securing or otherwise covering the performance of relevant financial obligations.

**"Professional Client"** means a client categorised as Professional Client under the MiFID Regulations.

**"Securities Financing Transactions Regulation"** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time).

**"Transaction"** means a transaction entered into, executed or agreed between you and us under which you agree to provide financial instruments as collateral, either under a security collateral arrangement or under a title transfer collateral arrangement.

**"we", "our", "ours" and "us"** refer to the provider of this Information Statement that may conduct Transactions, or enter into Agreements, with you (or, where we are acting on behalf of another person, including where that person is an affiliate, that person).

**"you", "your" and "yours"** refer to each of the persons to which this Information Statement is delivered or addressed in connection with entering into, continuing, executing or agreeing upon the terms of transactions or Agreements with us (or, where you are acting on behalf of other persons, each of those persons).

## Schedule 7- Consent to Accept Electronic Records and Communications

In the interests of timeliness, efficiency and lower costs for its clients, IBIE and its affiliated companies (collectively, "**Affiliates**") provide electronic notices, messages, trade confirmations, account statements, proxy materials, key information documents ("**KIDs**") under the Packaged Retail and Insurance-based Investment Products Regulation ("**PRIIPs**") records and other records and communications (collectively, "**Records and Communications**") in electronic form to the maximum extent permitted by applicable law. Electronic Records and Communications may be sent to a client's Trader Workstation ("**Client TWS**") or to a client's e-mail address or for security purposes may be posted on the IBIE website or on the secure website of one of IBIE's service providers and the client will need to login and retrieve the Records and Communications.

By entering into this Agreement, the Introducing Broker consents to the receipt of electronic Records and Communications regarding this Agreement, any other agreement between the Introducing Broker and IBIE or its Affiliates, all transactions under such agreements, all of the Introducing Broker's accounts and all of the Introducing Broker's dealings with IBIE or its Affiliates, including Records and Communications of any kind. The Introducing Broker may withdraw such consent at any time by an e-mail addressed to the IB Customer Service Department at [help@interactivebrokers.com](mailto:help@interactivebrokers.com). If the Introducing Broker withdraws such consent, IBIE will provide the Introducing Broker with the required Records and Communications, including proxy materials, in paper form. If the Introducing Broker withdraws such consent, however, IBIE reserves the right to require the Introducing Broker to close its account.

In order to trade using the IB TWS, and to receive Records and Communications through TWS, there are certain system hardware and software requirements, which are described on the IBIE website at [www.interactivebrokers.ie](http://www.interactivebrokers.ie). Since these requirements may change, the Introducing Broker must periodically refer to the IBIE website for current system requirements. To receive electronic mail from IBIE, the Introducing Broker is responsible for maintaining a valid Internet e-mail address and software allowing customer to read, send and receive e-mail. The Introducing Broker must notify IBIE immediately of a change in its e-mail address by: (i) using those procedures to change a client e-mail address that may be available on the IBIE website or (ii) contacting the IB Customer Service Department.