



# Addendum to Certain Agreements between Interactive Brokers LLC and Client for OATS Order Sending Organization Reporting

## I. Introduction

- A. This Addendum sets forth the terms under which Interactive Brokers LLC ("IBKR") shall provide certain OATS Order Sending Organization ("OSO") reporting services to Client. This Addendum is a supplement to various agreements (including a Trade Execution Agreement and a Clearing Agreement, collectively the "Brokerage Services Agreements") entered into between IBKR and Client, and this Addendum is hereby incorporated into those agreements.
- B. With respect to OATS OSO reporting services, if the terms of this Addendum conflict with the terms of any other agreement between IB and Client, the terms of this Addendum shall control.
- C. For certain OATS-reportable orders that Client specifically designates to IBKR for IBKR to report on Client's behalf ("Client OSO Reportable Orders"), IBKR shall make OATS reports in accordance with the terms and conditions set forth herein.

## II. Representations

- A. IBKR is a member of NASD and is familiar with the OATS Rules and the OATS Reporting Technical Specifications.
- B. IBKR transmits OATS reports to NASD on its own behalf and has tested its OATS reporting systems and has operated its OATS reporting systems in production.
- C. With respect to Client OSO Reportable Orders subject to this Addendum, IBKR will make reports to OATS in compliance with OATS Rules and Technical Specifications and any subsequent modifications thereto.
- D. IBKR acknowledges that all records of OATS data prepared on behalf of Client and maintained by IBKR are the property of Client and shall be surrendered promptly upon

Client's request.

- E. IBKR agrees to permit examination of any records of OATS data prepared on behalf of Client and maintained by IBKR at any time or from time to time during business hours by representatives of FINRA and to promptly furnish to FINRA or its designee true, correct, complete, and current hard copy of any or all of any part of these records.
- F. IBKR represents that it has processes and procedures reasonably designed to help ensure compliance with OATS requirements.
- G. IBKR promptly will notify Client upon the occurrence of any event, including physical damage, that limits IBKR's ability to make OATS reports on behalf of Client.
- H. Client acknowledges that this Addendum and the OSO reporting arrangement contained herein does not relieve Client, as an NASD Reporting Member, from its responsibilities under the OATS Rules or its liability for infractions of the OATS rules, even for OATS reports made by IBKR under this Addendum.
- I. Client represents that it has written supervisory procedures in place to ensure that the OATS information reported to NASD by IBKR on Client's behalf is timely, accurate and complete.
- J. The Client acknowledges that IB does not support OAT OSO reporting for clients using a computer to computer ("CTCI") interface.
- K. The Client acknowledges that IB does not report to FINRA OATS records for business that was not conducted through the IB systems.

### **III. Allocation of Responsibilities**

- A. Client will file necessary documents with the NASD identifying IBKR as an OATS OSO Reporting Agent for Client. Client will report to IBKR which phase of OATS Client is in.
- B. Either on an order by order basis, or by general categories of orders, or pursuant to technical protocols to be agreed by the Parties, Client will clearly designate to IBKR those orders for which Client wishes IBKR to provide OATS OSO Reporting (Client OSO Reportable Orders).
- C. For Client OSO Reportable Orders, Client shall be responsible for providing to IBKR, or ensuring that a third party provide to IBKR, all information necessary for IBKR to file OATS records for all OATS reportable events with respect to such orders, except

that for OATS reportable events that occur in the IBKR system or through the IBKR system (e.g., order routes made by IBKR's Smart Router, or orders executed by the IBKR system on a market center), IBKR shall be responsible for capturing such information. For OATS reportable event information provided to IBKR by Client or third parties, Client shall be solely responsible for the completeness and accuracy of such information.

- D. IBKR will file OATS reports on behalf of Client for the Client OSO Reportable Orders in compliance with OATS Rules and Technical Specifications.
- E. IBKR shall maintain books and records regarding the Client OSO Reportable Orders. On Client's request, IBKR shall provide access to any records held by IBKR regarding Client OATS reports. IBKR shall transfer such records to Client on Client's request, and Client shall reimburse IBKR for reasonable costs incurred by IBKR for such transfer.
- F. Client shall review the OATS website for rejections (and the need to submit appropriate repairs), late reporting, non-reporting, and other reporting infractions that may be caused by the actions of Client. Client is responsible for repair of OATS records for missing data or reporting infractions caused by the actions of Client. IBKR shall review the OATS website for any infractions that may be caused by the actions of IBKR. IBKR is responsible for repair of Client OATS records for missing data or reporting infractions caused by IBKR.

#### **IV. Other Terms**

- A. The fee rate for provision of OSO reporting services for various types of Client OSO Reportable Orders or order events shall be agreed in advance in writing. Attachment A hereto specifies the initial fee rates. Client shall make payment of the OSO reporting fees pursuant to the terms and conditions in the Brokerage Services Agreements relating to payment of fees.
- B. IBKR shall not be liable to Client by reason of delays or interruptions of service or transmissions, or failures of performance of the IBKR system for OATS OSO reporting, regardless of cause, including, but not limited to, those caused by employee error; hardware or software malfunction; governmental, exchange or other regulatory action; acts of god, war or terrorism. Client's sole remedies for IBKR's breach of IBKR's obligations set forth in this Addendum, including but not limited to any failure by IBKR to submit any required OATS reports, or for IBKR's submission of deficient OATS reports, or for IBKR's failure to repair OATS reports, are: i) for IB to use its best efforts to correct any errors and file or repair required reports; or ii) IBKR's forfeiture of any fees owed by Client for OSO Reportable Orders for which IBKR did not file a required report or failed to repair an erroneous report.
- C. In no event shall IBKR be liable for any money damages, nor shall IBKR be liable to Client or indemnify Client for any fine or other regulatory action taken against Client

by the NASD or any other regulatory agency or third party in the event of OATS reporting deficiencies.

- D. Either party may terminate this Agreement on 30 days written notice.
  
- E. Any disputes regarding this Addendum or the performance of the parties under this Addendum shall be resolved pursuant to the arbitration provisions in the Brokerage Services Agreements, which are incorporated herein by reference.

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_