

# Interactive Brokers (U.K.) Limited and Interactive Brokers LLC Client Agreement

## NOTICE OF EXECUTION AND CLEARING AGREEMENT

1. This Notice of Execution and Clearing ("**Notice**") applies to persons or entities who enter an agreement to open an IBUK Account ("**IBUK Account**") with, and receive certain services from, Interactive Brokers (U.K.) Limited and Interactive Brokers LLC ("**Agreement**"). By executing the Agreement, you enter a contractual relationship with both Interactive Brokers (U.K.) Limited ("**IBUK**") and Interactive Brokers LLC ("**IBLLC**"). This Notice describes the allocation of responsibilities between IBUK and IBLLC with respect to your IBUK Account.

2. IBUK is authorised and regulated by the Financial Conduct Authority ("**FCA**") to conduct investment business in the United Kingdom. IBUK's firm reference number is 208159.

3. IBLLC, an Affiliate of IBUK, is registered as a broker-dealer with the U.S. Securities and Exchange Commission and as a futures commission merchant with the U.S. Commodity Futures Trading Commission in the United States.

4. IBUK and IBLLC are parties to an execution and clearing agreement ("**Execution and Clearing Agreement**") pursuant to which IBLLC performs certain services, including with respect to your IBUK Account. The Execution and Clearing Agreement permits IBLLC to satisfy its obligations thereunder by using the services of entities within the Interactive Brokers group of companies ("**IBKR Group**", each entity within the IBKR Group being an "**Affiliate**") or unaffiliated third parties. The legal relationship between you and IBUK and between you and IBLLC is not altered by the Execution and Clearing Agreement.

5. This Notice is intended to provide you with general information about the relationship between IBUK and IBLLC, but it does not include details of every service that may be performed by IBUK or IBLLC. IBLLC may perform any or all IBUK's responsibilities under the terms and conditions of the Agreement, although nothing in this Notice obliges IBLLC (or any other Affiliates) to perform such services. The services performed by/on behalf of IBUK, IBLLC and/or any Affiliates may change from time to time.

6. On a non-exhaustive basis, IBUK shall generally be responsible for the following: 6.1. Obtaining and verifying new information and documentation from you and opening and closing your IBUK Account(s).

6.2. Receiving your orders (and modifications and cancellations thereof) through the IBKR System and transmitting them for execution to IBLLC. Pursuant to the Agreement, IBUK and IBLLC reserve the right to reject any order that may be transmitted to either of them for execution and/or clearing.

6.3. Accepting your instructions regarding voluntary corporate actions (e.g., tender or exchange offers) and transmitting them to IBLLC for processing. Neither IBUK nor IBLLC shall be responsible for providing you with notice of voluntary corporate actions.

6.4. Determining the commissions and other fees charged to you. Commission and fee payments you owe may be shared and allocated between IBUK and IBLLC as IBUK and IBLLC agree from time to time.

7. On a non-exhaustive basis, IBLLC shall generally be responsible for the following: 7.1. Executing orders received from IBUK via its various exchange memberships or routing the orders to another Affiliate or a third-party broker.

7.2. Acting as a self-clearing broker for certain of your orders or arranging for the clearing and settlement of the executed transactions by IBUK, IBLLC, another Affiliate or a third party. If you open an IBUK Account for which IBLLC acts only as an executing broker, you will be required to be either a self-clearing exchange member or a client of an exchange clearing member. Any such exchange-executed trades will be taken up for clearing and settlement by you or your clearing broker(s).

7.3. Performing certain cashiering, client money and custody services. Such services include, without limitation: (1) accepting and holding all money submitted to fund your IBUK Account (including, without limitation, funds submitted for the purpose of satisfying IBLLC's initial and maintenance margin requirements (collectively, "**Margin Requirements**")); (2) receiving, delivering and transferring securities purchased and sold, borrowed and loaned and receiving and distributing payments; (3) holding in custody and safekeeping all securities and payments so received (provided that, with respect to securities, such securities are delivered via the book entry system of a clearing organisation acceptable to IBUK); (4) paying and charging interest on your IBUK Account; (5) receiving and distributing dividends and other distributions; (6) processing securities as a result of corporate actions; and (7) transferring positions or assets.

7.4. Extending credit to you, in compliance with the Margin Requirements and any relevant regulatory, self-regulatory or governmental body; and effecting stock loan and borrowing transactions in accordance with Applicable Law.

7.5. Performing certain collection services with respect to your IBUK Account, including the collection of all commissions and fees and other monies or assets due from you under the terms of the Agreement.

7.6. Performing certain back-office and record keeping and reporting functions with respect to your IBUK Account, including the preparation of confirmations (contract notes) and account statements for transactions, distributing such confirmations and account statements directly to you, maintaining books and records of all transactions, and reporting such information as may be required by relevant regulatory or self-regulatory organisations or Applicable Law.

8. You are required to remit all funds related to your transactions or to your IBUK Account, or otherwise tendered pursuant to the Agreement, either: (a) directly to IBLLC; or (b) to a designated financial institution with which IBLLC maintains a client account. **Funds maintained by IBLLC are maintained in client accounts that are held in the name of IBLLC and are located outside of the UK.**

9. IBUK and IBLLC share responsibility for the provision of certain portions of the IBUK Website and for the provision of client service facilities. IBUK has ultimate responsibility for responding to your complaints regarding the Agreement, any transaction or your IBUK Account, but IBLLC is authorised to accept, process and respond to such complaints.

10. IBUK and IBLLC are authorised to disclose your information or documentation relating to your IBUK Account and transactions to each other and to their Affiliates. IBUK, IBLLC and their Affiliates are authorised to use, store, or process personal information that you (or your employees, agents or representatives) provide or otherwise acquired from you, as set forth in the Agreement.

11. IBLLC does not control, audit or supervise the activities of IBUK or its registered representatives, nor does it verify any information it receives from IBUK about you or your IBUK Account.

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# INTERACTIVE BROKERS (U.K.) LIMITED AND INTERACTIVE BROKERS LLC CLIENT AGREEMENT

## Part A: Your relationship with us

### A1 About this Agreement

#### A1.1 General information

A1.1.1 This document is a legal agreement between an individual or legal entity ("**you**"), Interactive Brokers (UK) Limited ("**IBUK**") and Interactive Brokers LLC ("**IBLLC**"). This agreement, together with your Account Application Materials (together, the "**Agreement**") sets out the terms and conditions that apply to the products and services you receive from IBLLC and IBUK ("**Services**"). **Please read it carefully.**

A1.1.2 IBUK and IBLLC agree to provide the Services to you under the terms of this Agreement and by using the Services, you agree to accept the terms of this Agreement on an ongoing basis.

A1.1.3 To the extent this Agreement conflicts with any other materials provided or made available to you (including those reflected on the IBUK Website), this Agreement shall prevail.

A1.1.4 This Agreement contains the entire agreement between the parties, who have made no representations or warranties other than as expressly provided therein.

A1.1.5 If any provision of this Agreement is unenforceable, it shall not invalidate other provisions. If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, in whole or in part, then you and IBUK and IBLLC will be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, and you and IBUK and IBLLC agree that this Agreement will be deemed amended by modifying such provision to the minimum extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by replacing it with another provision that is legal and enforceable and achieves the same objectives.

#### A1.2 Cancelling this Agreement

A1.2.1 You can cancel this entire Agreement within 14 days of it coming into effect. If you wish to cancel, you must send us Written Notice expressly stating that you wish to cancel, using any of the methods listed at Section A1.7.

A1.2.2 If you cancel, you will have no further obligations in relation to this Agreement and you will not be charged any fee for cancelling.

A1.2.3 You agree that we may start providing the Services to you before the end of the 14-day cancellation period.

A1.2.4 If you cancel, we will return the amount that we have received from you in relation to the Services that you are cancelling, minus a proportionate charge for what we have provided to you up until cancellation including costs we have incurred on your behalf such as dealing charges and stamp duty.

A1.2.5 You also have the right to close your IBUK Account and terminate this Agreement at any time, in accordance with Section A11.1.

#### A1.3 Definitions and interpretation

A1.3.1 Words and phrases that begin with capital letters have a specific meaning. A list of key terms and their meanings is set out in Appendix 1.

#### A1.3.2 In this Agreement:

**“you”** or **“your”** means any person entering the Agreement with IBUK and IBLLC and, where applicable, their duly authorised representatives, legal personal representatives, and successors; and

**“we”, “us”** and **“our”** means IBUK and/or IBLLC, as set out in the relevant Section of the Agreement

A1.3.3 The headings in this Agreement are included for ease of reference only and do not form part of this Agreement.

### A1.4 Information about IBUK and IBLLC

A1.4.1 IBUK and IBLLC are members of the Interactive Brokers group of companies (**“IBKR Group”**). Each company within the IBKR Group is an Affiliate of IBUK and/or IBLLC. IBUK and IBLLC are also Affiliates of each other.

A1.4.2 Regulation of IBUK: IBUK is authorised and regulated in the United Kingdom by the FCA. IBUK’s principal place of business in the United Kingdom is located at: 20 Fenchurch Street, London EC3M 3BY.

A1.4.3 Regulation of IBLLC: IBLLC is regulated in the United States by the U.S. Securities and Exchange Commission (**“SEC”**), the U.S. Commodity Futures Trading Commission (**“CFTC”**) and various self-regulatory organisations. IBLLC’s principal place of business in the United States is located at One Pickwick Plaza, Greenwich, CT 06830.

A1.4.4 Relationship between IBUK and IBLLC: You acknowledge that you have read and understand the Notice of Execution and Clearing Agreement (**“Notice”**) above and that you consent to the relationship between IBUK and IBLLC as described in the Notice.

A1.4.5 Financial statements: IBLLC’s audited financial statements are posted on the IBLLC website ([www.ibkr.com](http://www.ibkr.com)). If you would like a copy to be mailed to you, you can make a request in writing using the contact details in Section A1.6. You shall be entitled to rely on the financial condition of IBUK or IBLLC, as applicable, in connection with their respective obligations and responsibilities under this Agreement. You may not rely on the financial condition of their Affiliates.

A1.4.6 Affiliates’ rights and liabilities: Affiliates of IBUK and/or IBLLC are not liable for the acts and omissions of either IBUK or IBLLC. All IBUK’s and IBLLC’s rights, remedies and limitations on liability under this Agreement shall inure to the benefit of the Affiliates.

### A1.5 Your client category

A1.5.1 Unless you have been specifically notified in writing to the contrary, IBUK shall treat you as a retail client for the purposes of the FCA Rules. This means you get the highest level of protection available under those rules.

A1.5.2 You may request a different client categorisation. If IBUK agrees to do this, you will be afforded a lower level of client protection – for example, you may hear from us less frequently and the way in which we provide information to you about our Services may differ. In addition, we would no longer be required to check whether you understand the risks associated with any transactions you may enter into. More information about the differences between the regulatory protections available for different client categories is attached as Appendix 2.

### A1.6 What are the risks?

A1.6.1 There are risks involved in any investment although the level of risk will depend on the level of complexity and the type of investment. **There are general risks which can apply to all investments and there are also risks that will be related to specific types of financial instruments that you invest in. We have included more information about risks to consider when investing in Appendix 3.**

A1.6.2 Risks regarding political and governmental actions: Governments of countries in which you reside, or countries in which you invest, may take economic and/or political actions that are adverse to investors and such actions may negatively affect your IBUK Account. You agree that IBUK, IBLLC and their Affiliates are not liable for such actions. For example, if you invest in securities, futures, foreign currency or other investment products in a foreign jurisdiction, such assets, or cash to secure such assets, typically will be held at a bank, clearinghouse or other facility in such foreign jurisdiction. Assets and cash held in foreign jurisdictions are inherently vulnerable to the risk that the government in such jurisdiction could freeze or confiscate or take some other action against such assets for some purpose, temporarily or permanently. Likewise, even with respect to investments within your own country, governments may freeze or take other action against such assets on the basis of political, economic, or military conflict. You acknowledge and agree that IBUK, IBLLC and their Affiliates cannot and will not protect you from actions by any governmental, political, military, or economic actor that may adversely impact your assets held by the IBKR Group, its agents or sub-custodians. You agree that that IBUK, IBLLC and their Affiliates are not liable for any losses or damages you may incur as a result of any such action.

### A1.7 Communicating with us

A1.7.1 You can contact us (including where required by this Agreement to provide a notice to either IBUK and/or IBLLC in writing ("**Written Notice**")):

- (i) if registered with us: by sending us a secure message through the Client Portal;
- (ii) if you are not registered with us: by sending us a secure message via our website at [www.ibkr.co.uk/support](http://www.ibkr.co.uk/support).
- (iii) in writing at Interactive Brokers, 20 Fenchurch Street, London EC3M 3BY.

A1.7.2 You can provide us with Written Notice using any of the methods of communication described in this Section A1.7.

### A1.8 Communicating with you

All our documents and communications with you will be in English. You agree to the provision of this Agreement in the English language and confirm that you understand all the terms and conditions contained in this Agreement.

### A1.9 Use of electronic services

A1.9.1 Consent to receive electronic records and communications

A1.9.1.1 In the interests of timeliness, efficiency and lower costs for its clients, IBUK, IBLLC and their Affiliates provide electronic notices, messages, trade confirmations, account statements, proxy materials, KIDs under the Packaged Retail and Insurance-based Investment Products Regulation ("**PRIIPs**") records and other client 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 you via TWS or to your e-mail address or for security purposes may be posted on the IBUK Website or on the secure website of one of IBUK's service providers and you will need to login and retrieve the Records and Communications.

A1.9.1.2 By entering into this Agreement, you consent to the receipt of electronic Records and Communications regarding this Agreement, any other agreement between you and IBUK, IBLLC or their Affiliates, all transactions under such agreements, all your IBUK Accounts and all your dealings with IBUK, IBLLC and/or their Affiliates. You also agree to receive information via email, PDF document or any other durable medium that is not paper and to receiving information not personally addressed to you, including by means of a website.

A1.9.1.3 You may withdraw your consent at any time by contacting us using the details provided at A1.7. If you do withdraw your consent, however, IBUK reserves the right to require you to close your IBUK Account.



#### A1.9.2 Software license

IBUK, IBLLC and their Affiliates grant you and you accept a non-exclusive and non-transferable license to use all software related to provision of products and services hereunder ("**IB Software**"), solely as provided herein. Title to the IB Software shall remain the sole property of IBUK, IBLLC and their Affiliates, including without limitation, all applicable rights to patents, copyrights, trademarks, and other intellectual property rights. You shall secure and protect the IB Software in a manner consistent with the maintenance of IBUK, IBLLC and their Affiliates' ownership and rights therein and shall not sell, exchange, or otherwise transfer the IB Software to others. IBUK, IBLLC and their Affiliates shall be entitled to obtain immediate injunctive relief, without the necessity of establishing irreparable injury, against threatened breaches of the foregoing undertakings. You shall not copy, modify, translate, decompile, reverse engineer, disassemble or otherwise reduce to a human readable form, or adapt, the IB Software or use it to create a derivative work, unless authorised to do so by an officer of IBUK or IBLLC. Any updates, replacements, revisions, enhancements, additions or conversions to the IB Software supplied to you by IBUK, IBLLC or their Affiliates shall become subject to this Agreement.

#### A1.9.3 Electronic Services requirements

A1.9.3.1 To communicate with the IBKR System (and to utilise the services contemplated herein), IBUK and/or its Affiliate's may allow (in IBUK's sole discretion) you to use certain of IBUK's and/or its Affiliate's electronic trading services (including connectivity services) and any other electronic and information systems or networks ("**Electronic Services**") subject to the terms of this Agreement.

A1.9.3.2 To trade using TWS, and to receive Records and Communications through TWS, there are certain system hardware and software requirements, which are described on the IBUK Website (see "*Software & Downloads*" section). Since these requirements may change, you must periodically refer to the IBUK Website for current system requirements. To receive e-mails from IBUK, you will need to maintain a valid e-mail address.

#### A1.9.4 Alternative trading arrangements

Electronic Services such as those we use and provide to you are inherently vulnerable to disruption, delay or failure. You must maintain alternative trading arrangements, in addition to your IBUK Account for the execution of your orders if the IBKR System and/or any Electronic Services are unavailable. By signing this Agreement, you represent that you maintain such alternative trading arrangements.

#### A1.9.5 Suspension or Withdrawal of Electronic Services

Without limitation to any of our other rights under this Agreement, we reserve the right to suspend or withdraw temporarily or permanently all or any part of our Electronic Services, immediately at any time if: (a) we suspect or become aware of unauthorised use or misuse of any Credentials; (b) you are in breach of any of the provisions of this Agreement or Applicable Law; (c) in our opinion, your or any authorised user's connection to the Electronic Services is for any reason endangering the operation of it; or (d) we are unable to provide access to the Electronic Services due to any defect in or failure of network, communication or computer systems owned or operated by us or you or any third parties.

## **A2 Costs and charges information**

### **A2.1 Costs and charges**

A2.1.1 You agree to pay the commissions, fees and interest at the rates and terms specified on the IBUK Website or as otherwise notified to you in writing by IBUK. You may also be required to pay to us any commissions, fees or interest that are charged to you by third parties (e.g., by a broker that introduces you to us or by your financial advisor for your IBUK Account), which we would distribute to such third party. Our Costs and Charges Guide, which includes a description of the costs and charges that may apply to you is included on the IBUK Website (under the "*MiFID Disclosures*" section of our "*Forms and Disclosures*" webpage).

A2.1.2 We deduct commissions and fees (including, but not limited to, market data fees) from your IBUK Account, which will reduce account equity. Commissions will generally be deducted on the same day they are earned, which is generally the trade date. Positions will be liquidated (see Section A14) if the deduction of commissions or other charges causes your IBUK Account to have an insufficient balance to satisfy the Margin Requirements.

A2.1.3 For certain products, IBUK may offer "tiered" or "unbundled" or "component" commissions where the total commission is based on various component factors (e.g., exchange fees, IBUK or IBLLC fees, etc.). These commission models are not intended to be a direct pass-through of exchange and third-party fees and rebates. Costs passed on to clients in these commission schedules may be greater than the costs paid by IBUK, IBLLC, or their Affiliates to the relevant exchange, regulator, clearinghouse or third party. For example, IBUK, IBLLC, and their Affiliates may receive volume discounts that are not passed on to clients. Likewise, rebates passed on to clients by IBUK, IBLLC, or their Affiliates may be less than the rebates IBUK, IBLLC, or their Affiliates receive from the relevant market.

A2.1.4 IBUK is not required to compensate you for any differential tax treatment. If you are allocated a substitute payment in lieu of interest, dividends, or other payment, you understand that such a payment may not be entitled to the same tax treatment. IBUK may allocate payments in lieu of interest, dividends, or other payments by any mechanism permitted by Applicable Law.

A2.1.5 Notwithstanding any language to the contrary in this Agreement or on the IBUK Website regarding credit and debit interest, interest rates for a particular currency may be "negative". If the interest rate on funds held in a particular currency is negative, this means you will be charged a fee at the negative interest rate for positive balances in such currency and earn interest for negative balances in the currency. You should refer to rates specified on the IBUK Website.

A2.1.6 IBUK and IBLLC may share commissions, fees or minor non-monetary benefits with associates, introducing agents or other third parties. IBUK is entitled, under Applicable Law, to pay or be paid commissions, fees or minor non-monetary benefits where the relevant commission, fee or minor non-monetary benefit: (a) is designed to enhance the quality of the service that IBUK provides to its clients; and (b) does not impair IBUK's duty to act honestly, fairly and professionally in accordance with the best interests of its clients and its obligations under Applicable Law. IBUK shall disclose the existence, nature and amount of any relevant commission, fee or minor non-monetary benefit. Where the amount cannot be ascertained, IBUK shall disclose the method of calculation of the commission, fee or minor non-monetary benefit. If IBUK receives an inducement which is not permitted under Applicable Law, IBUK will inform the relevant client(s) of the mechanism(s) for transferring the commission(s), fee(s) or minor non-monetary benefit(s) to the client(s).

## **A2.2 Cash accounts deficits**

A2.2.1 If your IBUK Account incurs an equity deficit (regardless of account type), margin interest rates as specified on the IBUK Website will be charged on the debit balance owed by you to IBUK until the deficit is repaid. In their respective discretion, IBUK and their Affiliates shall have the right, but not the obligation, to treat a cash (non-margin) account that has incurred an equity deficit as a margin account, in which case the terms and conditions specified in this Agreement relating to margin shall apply.

A2.2.2 For any deficit in your IBUK Account that remains unpaid, you agree to pay and shall be liable for the reasonable costs and expenses of the collection for any unpaid deficit, including, but not limited to, attorneys' fees and/or collection agent fees.

A2.2.3 If IBUK or its Affiliates seek to recover any unpaid deficit through a court or arbitration proceeding, IBUK and their Affiliates reserve the right to recover interest at statutory interest rates, rather than margin interest rates.

A2.2.4 IBUK and their Affiliates may take all steps permissible under Applicable Law to recover an unpaid deficit, including but not limited to transferring or assigning the debt to an Affiliate or other third-party entity for collection.

## **A2.3 Exposure fee for high-risk accounts**

IBUK (through IBLLC) calculates and charges a daily "*exposure fee*" to IBUK Accounts that are deemed in IBUK's discretion to have significant risk exposure (i.e., potential exposure that exceeds the account's equity were certain scenarios to occur). The exposure fee is not a form of insurance for your IBUK Account. If your IBUK Account incurs a debt or deficit to IBUK or its Affiliates, you remain liable to IBUK and their Affiliates to satisfy that debt or deficit. Payment of exposure fees does NOT reduce, offset, or relieve you of that liability. Deduction of exposure fees will reduce account equity. Positions may be liquidated if exposure fees cause a margin deficiency.

## **A2.4 Interest**

IBUK (through IBLLC) shall pay credit interest to you and shall charge debit interest to you at such interest rates and on such credit or debit balances as are then set forth on the IBUK Website. IBUK reserves the right, in its sole discretion, to amend its credit and debit interest policies, interest rates and the frequency with which interest is charged, at any time, upon notice made by posting the amended policies or rates on the IBUK Website.

## **A2.5 Taxes**

IBUK, through IBLLC, may, in its discretion, deduct or withhold from your IBUK Account or from any amount due to you all forms of tax (whether a tax of the United Kingdom or elsewhere in the world and whenever imposed) in accordance with Applicable Law. In accounting for taxes or in making deductions or withholdings of tax, IBUK may estimate the amounts concerned. Any excess of such estimated amounts over the final confirmed liability shall be credited to your IBUK Account. Any deficiency of such estimated amounts under the final confirmed liability may be deducted or retained from any amounts that IBUK or its Affiliates may owe to you or be holding for you.

## **A3 Your personal information**

### **A3.1 Data protection**

A3.1.1 IBUK will act as a data controller of your personal data within the meaning of the UK General Data Protection Regulation ("**Data Protection Law**"). You acknowledge that we may obtain information (including personal data and special categories of personal data, each as defined in the Data Protection Law) about you or your directors, shareholders, employees, officers, agents or clients as necessary. We shall comply with applicable data protection law regarding the processing of your personal data. You acknowledge that you have read and understood the IBKR Privacy Policy published on the IBUK Website (as may be updated from time to time) which sets out how your personal data shall be processed by us.

A3.1.2 You understand that we may use, store or otherwise process any such information (whether provided electronically or otherwise) and may disclose any such information (including, without limitation, information relating to your transactions and IBUK Account) either as we shall be obliged to under or pursuant to Applicable Law or by any regulatory authority or as may be required to provide services to you under this Agreement.

A3.1.3 IBUK may:

- (i) disclose information about you to your agents or attorneys for any purpose relating to this Agreement;
- (ii) disclose information about you and your clients, of a confidential nature, in the circumstances set out in this Section A3;
- (iii) to other members of the IBKR Group, who may use it in the manner set out in this Section A3 (and for the avoidance of doubt, references to "we", "us" and "our" in this Section shall be deemed to include all members of the IBKR Group);
- (iv) 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;

- (v) 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;
- (vi) to any regulatory authority or public registry, as required by Applicable Law; or
- (vii) as may be required for the purposes set out in this Section A3.

A3.1.4 To the extent such authorisation is required by law, you hereby authorise IBUK, directly or through third parties, to make any enquiries that IBUK considers necessary to conduct business with you. This may include ordering a credit report and performing other credit checks or verifying the information you provide against third party databases. Any personal data obtained is maintained in accordance with the IBKR Privacy Policy.

A3.1.5 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 Section A3 and you agree to indemnify us against any loss, costs or expenses arising out of any breach of this representation.

### **A3.2 Transfer of your personal information**

We may transfer information we hold about you to any country including countries outside the UK and/or European Economic Area (“**EEA**”), which may not have comparable data protection laws, for any of the purposes described in this Agreement. These disclosures may involve overseas storage and other overseas transfer, processing and use of your information and disclosure to third parties. In case your information is transferred to countries or territories outside of the UK and/or EEA that are not recognised by the UK and/or European Commission as offering an adequate level of data protection, we have put in place appropriate data transfer mechanisms to ensure your information is protected. Details of the data transfer mechanism that we have applied to protect your information can be obtained by contacting the IBUK Data Protection Officer at [dpo@ibkr.com](mailto:dpo@ibkr.com).

### **A4 Confidential information**

A4.1.1 Subject to Section A3, you and we will each treat as confidential (both during and after the termination of the relationship between you and us) any information learned about the other in the course of the relationship pursuant to this Agreement and, except as otherwise agreed, shall not disclose the same to any third party except as set out below.

A4.1.2 The obligations of confidentiality shall not apply or shall cease to apply to such part of the information (other than personal data) as the receiving party can show to the reasonable satisfaction of the disclosing party:

- (i) has become public knowledge other than through the fault of the receiving party or an employee or director of the receiving party to whom it has been disclosed in accordance with this Agreement; or
- (ii) where the receiving party establishes it was already known to it prior to disclosure of it by the disclosing party; or
- (iii) has been received from a third party who neither acquired it in confidence from the disclosing party, nor owed the disclosing party a duty of confidence in respect of it; or
- (iv) is required to disclose it by law or any regulatory authority or pursuant to a court order provided that the receiving party shall, where permitted by law, have given prior Written Notice to the disclosing party, and provided always that such disclosure is only made to the extent absolutely and specifically required under such requirement.

### **A5 Recording**

A5.1.1 Telephone conversations and electronic communications with IBUK and its Affiliates may be recorded. IBUK and/or Affiliates or representatives may contact you by telephone as required and appropriate under this Agreement.

A5.1.2 To the extent permitted under Applicable Law IBUK, its Affiliates or any other person they may appoint, 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 you or your agent. The recordings may be used as evidence if there is a dispute.

A5.1.3 Where required under Applicable Law, a copy of records relating to telephone and electronic communications will be available to you upon request (provided that a charge may be payable). We will retain such records in accordance with Applicable Law and our procedures. You should not expect to be able to rely on IBUK to comply with your record keeping obligations.

## **A6 Conflicts of interest**

A6.1.1 IBKR Group companies have various policies and procedures in place to assist in identifying, preventing and managing conflicts of interests between themselves and their clients or between two or more clients that arise in the course of providing Services. The IBUK Conflicts of Interest Policy provides the overall framework for the identification of conflicts and addresses business conduct and practices that may give rise to an actual or potential conflict of interest. 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.

A6.1.2 In circumstances where organisational or administrative arrangements cannot prevent an actual or potential conflict having a negative impact on your interests, IBUK and/or its Affiliates (as applicable) will disclose the source and nature of the material interest as soon as reasonably possible as well as the steps taken to mitigate those risks prior to providing the relevant Services to you.

A6.1.3 You authorise IBUK, IBLLC, their Affiliates, and/or their clients, to act as buyers with respect to orders given by you to IBUK to sell for your IBUK Accounts, or as sellers with respect to orders given by you to IBUK to buy for your IBUK Accounts. You accept that IBUK, IBLLC and/or their Affiliates may have interests which conflict with your interests and that they may owe duties which conflict with duties which would otherwise be owed to you and to the extent permissible by Applicable Law, you consent to the same.

A6.1.4 A summary of the IBUK Conflicts of Interest Policy can be found on the IBUK Website, you may also contact us using the details in Section A1.7 above if you require any further information.

## **A7 Responsibilities**

### **A7.1 Our responsibilities to you**

A7.1.1 Suspicious activity: If we, in our sole discretion, believe that your IBUK Account has been involved in any fraud or crime or violation of laws or regulations, or has been accessed unlawfully, or is otherwise involved in any suspicious activity (whether as victim or perpetrator or otherwise), we may suspend or freeze the IBUK Account or any privileges of the IBUK Account, freeze or liquidate funds or assets, or utilise any of the remedies in this Agreement for an "*Event of Default*". You agree to waive any claim for loss or damages against IBUK, IBLLC, or their Affiliates arising out of or related to the exercise of our rights under this Section.

A7.1.2 Limitation of Liability: IBUK, IBLLC, their Affiliates, and their respective directors, officers, employees, Affiliates, associates, or agents shall not be liable for any direct or indirect costs, expenses, fees (including, but not limited to, attorney's fees, losses, damages, claims or liabilities incurred or suffered by you under this Agreement) unless arising directly from their gross negligence, wilful default, or fraud or causing personal injury or death to you. Under no circumstances shall IBUK, IBLLC, their Affiliates, nor any of their respective directors, officers, employees, Affiliates, associates, or agents have

any liability for any punitive, indirect, incidental, special, or consequential loss or damages, including any loss of business, profits, or goodwill.

A7.1.3 You accept the IBKR 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 IBUK, IBLLC, its Affiliates, nor any of their respective directors, officers, employees, Affiliates, associates, or agents be liable to you for any system failure, delays or interruptions of service or transmissions, or malfunctions or failures of performance of the IBKR System or any transmission, communication or computer facility or system used in connection with the provision of services under this Agreement, regardless of cause, including, but not limited to, those caused by hardware or software malfunction, human error, supra national, governmental, exchange or other regulatory or self-regulatory rules or actions, acts of God, acts of war (declared or undeclared), acts of terrorism, public health events (including pandemics), the intentional acts of IBUK, IBLLC, or their Affiliates or failure to act to prevent service disruption or system failure by IBUK, IBLLC, or their Affiliates. You recognise that there may be delays or interruptions in the use of the IBKR System, including, for example, those intentionally caused by IBUK, IBLLC or their Affiliates for the purpose of servicing the IBKR System.

A7.1.4 IBUK, IBLLC, their Affiliates, and their respective directors, officers, employees, Affiliates, associates or agents shall not be liable to you for any partial or non-performance of their obligations under this Agreement by reason of any cause beyond its reasonable control including, but not limited to, labour disputes or industrial actions; the rules or actions of any supra national, governmental or regulatory or self-regulatory authority; acts of war (declared or undeclared); acts of terrorism; or the failure by any intermediate broker or agent, or principal of IBUK, IBLLC, or their Affiliates or any or any custodian, sub-custodian, dealer, exchange, clearing house or supra national, governmental, regulatory or self-regulatory body, for any reason, to perform its obligations.

A7.1.5 In no event shall any liability of IBUK, IBLLC, their Affiliates, or any of their respective directors, officers, employees, Affiliates, associates or agents, regardless of the form of action or damages suffered by client, exceed the highest aggregate monthly commissions and fees paid by you to IBUK.

A7.1.6 Nothing in this Agreement represents a contractual promise of warranty to you regarding IBUK, IBLLC, or their Affiliates' compliance with Applicable Law. Nor is anything in this Agreement intended to create a contractual or private cause of action for any non-compliance with Applicable Law.

## **A7.2 Your responsibilities**

A7.2.1 The information you provide to us: You agree that, if any information provided by you in your Account Application Materials changes, ceases to be true, or becomes materially misleading (including, but not limited to, the ownership or beneficial interest in your IBUK Account), you shall make the appropriate change to your account information using the procedures available on the IBUK Website or shall contact us using the contact details provided in Section A1.7. You authorise IBUK, IBLLC and our Affiliates to make any inquiry we deem appropriate, at any time, to verify any of your information. You agree to provide to IBUK, upon IBUK's request, any additional information or documentation that it deems necessary or desirable including, but not limited to, any information or documentation requested to verify or re-verify your identity or that of related persons.

A7.2.2 Indemnity: You agree to indemnify, hold harmless and defend IBUK, IBLLC, their Affiliates, and their respective officers, directors, employees, agents, and representatives from any and all liabilities, losses, costs, judgments, penalties, claims, actions, damages, or expenses (collectively, "**Losses**") arising from or relating to: (i) any action taken in reliance on any representation, information or instruction received from you; (ii) your breach of this Agreement; (iii) any action taken by IBUK or IBLLC to enforce their rights under this Agreement; (iv) any inquiry, information request, or other action by a third party related to your IBUK Account, including to your assets, liabilities, transactions, instructions, actions, or inactions; (v) any Event of Default as defined hereunder; or (vi) your violation or infringement of any intellectual property right held by IBUK, IBLLC or their Affiliates, except to the extent that such Losses directly result from IBUK, IBLLC or their Affiliates' gross negligence, fraud or wilful misconduct.

A7.2.3 Currency Indemnification: If IBUK, IBLLC or any of their Affiliates receives or recovers any amount with respect to an obligation of yours in a currency other than that in which such amount was

payable, whether pursuant to a judgment of any court or otherwise, you shall indemnify IBUK, IBLLC and their Affiliates and hold them harmless from and against any cost (including the cost of conversion) and loss suffered as a result of receiving such amount in a currency other than the currency in which it was due.

A7.2.4 If you are an individual: You represent and warrant that, as of the date you accept this Agreement and each time you place an order and/or execute a transaction, you:

- (i) have attained eighteen (18) years of age;
- (ii) have all necessary legal capacity to enter into this Agreement and to place orders under this Agreement; and
- (iii) have sufficient experience, knowledge and understanding of the characteristics and risks associated with the financial instruments that you are permitted to trade in your IBUK Account.

A7.2.5 If you are not an individual (e.g., you are a corporation, unincorporated business, partnership or trust): You (through and including each of your authorised representatives) represent and warrant that, as of the date you accept this Agreement and each time you place an order and/or execute a transaction:

- (i) you are duly formed and validly existing under the laws of your place of organisation or formation;
- (ii) you have, pursuant to your articles of incorporation, partnership agreement, charter, by-laws, operating agreement or other governing documents ("**Governing Documents**") and Applicable Law, the power and authority to enter into, exercise your rights, and perform or comply with your obligations under this Agreement and each order;
- (iii) you have pursuant to your Governing Documents and the jurisdictions in which you are registered, authorised, and/or regulated, the power and authority to trade the securities, options, futures, and other investment products to be traded in your IBUK Account;
- (iv) you have taken all necessary action to authorise the exercise, performance, and execution of this Agreement and any other document relating to this Agreement to which you are a party;
- (v) your authorised representatives have sufficient experience, knowledge and understanding of the characteristics and risks associated with the financial instruments that you are permitted to trade in your IBUK Account;
- (vi) the persons which you identify to IBUK as authorised to enter orders and trade on your behalf have full authority to do so.

A7.2.6 Joint accounts:

A7.2.6.1 For joint accounts, each joint account holder agrees that each individual joint account holder shall have authority, without notice to the other joint account holder to:

- (i) buy and sell securities, options, futures, and other derivatives or other investment products on margin, or otherwise, depending upon the type of IBUK Account;
- (ii) receive confirmations, statements, and Records and Communications of every kind related to the IBUK Account;
- (iii) receive and dispose of money, securities and/or other investments, assets or property in the IBUK Account;
- (iv) terminate, or agree to a modification of this Agreement;
- (v) waive any of the provisions of this Agreement; and
- (vi) generally deal with IBUK, IBLLC and their Affiliates as if each joint account holder alone was the sole holder of the IBUK Account.

A7.2.6.2 Each joint account holder agrees that notice to any joint account holder shall constitute notice to all joint account holders. Each joint account holder further agrees that he or she shall be jointly and severally liable to IBUK and their Affiliates with respect to all matters relating to the IBUK Account. IBUK and their Affiliates may follow the instructions of any of the joint account holders concerning the IBUK Account and make delivery to any of the joint account holders of any and all securities and/or other property in the IBUK Account, and make payments to any of the joint account holders, of any or all monies in the IBUK Account as any of the joint account holders may order and direct, even if such deliveries and/or payments shall be made to only one of the joint account holders personally.

A7.2.6.3 In the event of the death of either of the joint account holders, the surviving joint account holder shall provide Written Notice this occurrence as soon as possible to IBUK. IBUK and its Affiliates, may, before or after receiving such Written Notice, initiate such proceedings, require such documents, retain such portion and/or restrict transactions in the IBUK Account as it deems advisable, in its sole discretion, to protect themselves against any tax, liability, penalty or loss under any present or future laws or otherwise.

A7.2.6.4 The estate of any deceased joint account holder shall be liable, and each survivor shall be liable, jointly and severally, to IBUK and their Affiliates for any debt or loss in the IBUK Account or debt or loss incurred in the liquidation of the IBUK Account or the adjustment of the interests of the joint account holders. Unless the joint account holders indicated to the contrary when the IBUK Account was opened, IBUK and their Affiliates may presume that it is the express intention of the joint account holders to hold the IBUK Account as joint tenants with rights of survivorship. In the event of the death of any of the joint account holders, the entire interest in the IBUK Account shall be vested in the surviving joint account holder on the same terms and conditions as theretofore held, without in any manner releasing the deceased joint account holder's estate from liability.

A7.2.7 If you are a trust: The trustees hereby represent that:

- (i) There are no other trustees of the trust other than those identified in the Account Application Materials;
- (ii) IBUK and their Affiliates have the authority to accept orders and other instructions relative to this IBUK Account from the trustees. Trustees hereby certify that IBUK and their Affiliates are authorised to follow the instructions of any trustee and to deliver funds, securities, or any other assets in this IBUK Account to any trustee or on any trustee's instructions, including delivering assets to a trustee personally. IBUK and any of their Affiliates, in their respective sole discretion and for their respective sole protection, may require the written consent of any or all trustee(s) prior to acting upon the instructions of any trustee;
- (iii) Trustees have the power under the trust, the documents governing the trust ("**Trust Agreement**") and Applicable Law to enter into this Agreement and open the type of IBUK Account applied for, and to enter into transactions and issue instructions for the IBUK Account. To the extent that the following activities are permitted for the type of IBUK Account being opened, such powers may include, without limitation, the authority to buy, sell (including short sales), exchange, convert, tender, redeem and withdraw assets (including delivery of securities to and from the IBUK Account) to trade securities on margin or otherwise (including the purchase and/or sale of option contracts), and/or the authority to trade futures and/or options on futures, for and at the risk of the trust;
- (iv) Should only one trustee execute this Agreement, it shall be a representation that such trustee has the authority, pursuant to the trust Agreement, to execute this Agreement and to enter into transactions and issue instructions for this IBUK Account as described above, without acknowledgement or consent by the other trustees;
- (v) Trustees certify that any and all transactions effected and instructions given regarding this IBUK Account will be in full compliance with the trust, the Trust Agreement, and Applicable Law;
- (vi) Trustees, jointly and severally, shall indemnify IBUK and their Affiliates and hold IBUK and their Affiliates harmless from any claim, loss, expense or other liability for effecting any transactions, and acting upon any instructions given by the trustees; and
- (vii) The statements and certifications made herein and the information provided in the IBUK Account application process are true and correct, and authorises IBUK and any of their Affiliates to confirm their accuracy as it deems necessary.

A7.2.8 If you are a regulated entity or affiliated with a regulated entity:

- (i) You represent and warrant to IBUK that, as at the date you accept this Agreement and each time you place an order and/or execute a transaction, unless you have notified IBUK to the contrary in your Account Application Materials, you are not: (1) a broker-dealer, futures commission merchant, or comparable securities, futures or investment professional; (2) an affiliate, associated person or employee of a broker-dealer, futures commission merchant, or comparable securities, futures or investment professional; or (3) an affiliate, associated person, or employee of any exchange, clearing house or regulatory agency or self-regulatory organisation.



- (ii) You agree to promptly provide IBUK Written Notice if you become employed by, affiliated with, or associated with, a broker-dealer, futures commission merchant, or comparable securities, futures or investment professional, or if you become registered with, or authorised by, the Financial Industry Regulatory Authority ("**FINRA**"); the National Futures Association; the SEC; the CFTC; the FCA; or any other financial regulatory agency or self-regulatory organisation.

A7.2.9 You shall promptly provide Written Notice if any of the representations or warranties in this Section A7.2 (as applicable to you) materially changes or ceases to be true and correct. Without limiting the generality of the foregoing, you specifically agree to notify IBUK immediately in the event that: (1) if you are a corporation, unincorporated business, partnership, or trust, there is a significant change in the nature of your business or ownership; (2) if you are an unincorporated business or partnership, the authorised signatories of the business or partnership change; and (3) if you are a trust, any trustee is replaced. In all the foregoing events, you agree to provide to IBUK any additional information or documentation that IBUK deems necessary or desirable, upon IBUK's request.

## **A8 Complaints**

A8.1.1 A summary of IBUK's Internal Complaint Handling Procedures is available via the IBUK Website. You have the right to request further information in relation to those procedures.

A8.1.2 If you would like to make a formal complaint, the best way to contact us is by submitting a by WebTicket in Account Management on the IBUK Website. You can also send a letter to us at Complaints Handling, Compliance Department, Interactive Brokers, 20 Fenchurch Street, London EC3M 3BY or email [ibukcomplaints@interactivebrokers.co.uk](mailto:ibukcomplaints@interactivebrokers.co.uk).

A8.1.3 You may potentially be able to complain to the UK Financial Ombudsman Service. Details of who is an eligible complainant, and the procedures to make a complaint can be found here: <https://www.financial-ombudsman.org.uk>.

## **A9 Compensation**

### **A9.1 US compensation**

IBLLC is a broker-dealer registered with the Securities and Exchange Commission and is a member of the FINRA, CRD#: 36418. IBLLC is a member of the Securities Investor Protection corporation ("**SIPC**"). SIPC currently protects the securities and/or other property in certain client accounts up to US\$500,000, including US\$250,000 for claims for cash. SIPC does not cover fluctuations in the market value of investments. Account protection is not provided for the accounts of banks or broker-dealers maintained for their own account. Nothing in this Agreement or on the IBLLC website is intended to be a representation or warranty with respect to the terms of SIPC coverage, which are determined by SIPC. Visit [www.sipc.org](http://www.sipc.org) or call +1 (202) 371-8300 for more information.

### **A9.2 UK compensation**

You may be eligible for protection afforded by the UK Financial Services Compensation Scheme ("**FSCS**") which compensates private clients if a UK company that is engaged in investment business becomes insolvent. However, the extent that you seek, or could seek, compensation from the FSCS will depend upon the type of business and the circumstances of the claim. FSCS coverage is restricted to designated investments and may not cover certain investments or transactions, depending on how they are characterised under the FSCS. The maximum payment under the FSCS in respect to designated investments is currently 100% of a claim up to a maximum of £85,000. Further information about compensation is available from the UK Financial Services Compensation Scheme at [www.fscs.org.uk](http://www.fscs.org.uk).

## **A10 Changing this Agreement**

### **A10.1 Variation terms applicable to all changes**

A10.1.1 We may change any of the provisions of this Agreement for any reason not listed below in this Section A10 where:

- (i) you are able to end the Agreement without charge; or
- (ii) we agree to waive any charge that would otherwise apply.

## **A10.2 Assigning this Agreement**

A10.2.1 You agree to us assigning all or any of our benefits and obligations under this Agreement to any appropriate Affiliate or any third-party which is an appropriately regulated and authorised broker-dealer, futures commission merchant or comparable investment professional. If we do this, we will aim to give you at least 30 calendar days' notice.

A10.2.2 This Agreement shall inure to the benefit of IBUK's and IBLLC's successors and assigns and binds your successors and assigns.

A10.2.3 You may not assign or transfer any rights or obligations hereunder without the prior written consent of IBUK and IBLLC. In the event of any assignment or transfer of this Agreement, or any of your rights hereunder, the assignee or transferee shall be liable for all your past and present debts and obligations to IBUK, IBLLC and their Affiliates.

## **A10.3 Changes to our charges**

A10.3.1 If we provide a new service or facility in connection with your IBUK Account we may introduce a new charge for providing you with that service or facility.

A10.3.2 We may change our charges or introduce a new charge where there is no new service or facility if there is a change in (or we reasonably expect there will be a change in):

- (i) the costs we incur in carrying out the activity for which the charge is or will be made;
- (ii) Applicable Law.

A10.3.3 We may also change our charges for a valid reason which is not set out in this Section.

## **A10.4 Changes to other terms**

A10.4.1 We may change this Agreement:

- (i) where we reasonably consider that the change would:
  - a. make the terms easier to understand or fairer to you; or
  - b. not be to your disadvantage;
- (ii) to comply with or meet any change (or reasonably expected change) in Applicable Law;
- (iii) to correct any inaccuracies, omissions, errors or ambiguities;
- (iv) to take account of any reorganisation of the IBKR Group or a transfer of rights under Section A10.1;
- (v) to reflect any changes to the Services, products or investments we offer under this Agreement, or changes to our systems, our processes and procedures, market practice or client requirements; and/or
- (vii) make any other changes which we believe in good faith are reasonable.

## **A10.5 Notifying you of changes**

A10.5.1 If we make changes to this Agreement or your IBUK Account that benefit you, or to comply with Applicable Law, we can make the change immediately. Incidental changes, such as clarifications and drafting and typographical amendments, may also be made immediately. We will make information about the change available to you in the manner we have agreed to communicate with you, or if we believe it is appropriate, by a general communication or advertisement.

A10.5.2 If we make other changes, we will aim to give you at least 30 calendar days' notice (where Applicable Law allows).

A10.5.3 If you are not happy with any changes we make/plan to make to this Agreement, you can end the Agreement in accordance with Section A11.

## **A11 Ending the Agreement**

### **A11.1 Your right to end this Agreement**

Unless we have told you that restrictions apply to a particular service or product, you can end your relationship with us and this Agreement at any time by giving us Written Notice. You will need to close all positions in your IBUK Account before your IBUK Account can be closed.

### **A11.2 IBUK or IBLLC ending the Agreement**

A11.2.1 Either IBUK or IBLLC may terminate this Agreement and/or your use of the facilities and brokerage or other services provided by IBUK, IBLLC and/or their Affiliates, at any time, in our sole respective discretion. IBUK and IBLLC may also terminate the Agreement upon the occurrence of an Event of Default.

A11.2.2 Upon termination, IBUK, IBLLC and their Affiliates shall have the right, in their discretion, but not the obligation, to take any one or more actions specified in Sections A12.2 to A15.

## **A12 When things go wrong**

### **A12.1 Events of default**

A12.1.1 An "Event of Default" shall occur automatically, without notice to you, if:

- (i) You breach, repudiate, or fail to perform any obligations under the terms of this Agreement (including, without limitation, your agreement to provide margin), any agreement with any third party or any transaction, or you fail to timely discharge any other obligation to us or our Affiliates;
- (ii) Your IBUK Account balance, at any time, is in deficit, or otherwise fails to satisfy Margin Requirements;
- (iii) At any time, you fail to make payment of any other amount or make or take delivery of any property when due under any transaction or pursuant to this Agreement;
- (iv) IBLLC or any of its Affiliates executes an order for which you did not have sufficient funds;
- (v) You have not offset a commodity options contract position at least one (1) hour prior to the time specified by an exchange for final settlement;
- (vi) You have not closed-out any position in a futures contract not settled in cash by the close-out deadline;
- (vii) We or any of our Affiliates, in our respective sole discretion, determine there are sufficient grounds for insecurity with respect to you performing any obligation to any person including, but not limited to, your obligations under any transaction or pursuant to this Agreement and, immediately after demand, you fail to provide assurance of performance of the obligation satisfactory to us / our Affiliates;
- (viii) We or any of our Affiliates consider liquidation necessary or desirable for its own protection or to prevent what we or any of our Affiliates may, in our discretion, consider to be a violation of any Applicable Law or good standards of market practice;
- (ix) You are unable to pay your debts as they fall due or are bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to you; or any indebtedness of yours is not paid on the due date or becomes capable, at any time, of being declared due and payable under agreements or instruments evidencing such indebtedness before it would otherwise have been due and payable;
- (x) You commence a voluntary case or other procedure seeking or proposing liquidation, protection from creditors, reorganisation, an arrangement or composition, a freeze or

- moratorium or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent), or seeking the appointment of a receiver, liquidator, conservator, administrator, custodian, examiner, trustee or other similar official (each a "**Custodian**") of you or any part of your assets; or if you take any corporate action to authorise any of the foregoing and, in the case of a reorganisation, arrangement or composition, IBUK or any of their Affiliates do not consent to the proposals;
- (xi) An involuntary case or other procedure is commenced against you, seeking or proposing reorganisation, or an administration order, liquidation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts is imposed under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you if insolvent);
  - (xii) Any other proceedings are commenced by or against you under any bankruptcy, insolvency, relief of debtors, or similar law; or any proceedings are commenced for any execution, any attachment or garnishment, or any distress against, or an encumbrancer takes possession of, the whole or any part of your property, undertakings or assets (whether tangible or intangible);
  - (xiii) The suspension of, or the commencement of any proceeding to suspend your business or license issued by any regulatory or governmental body;
  - (xiv) A Custodian is appointed for you or any of your property;
  - (xv) You make an assignment for the benefit of creditors;
  - (xvi) You or any organisation of which you are a member suspend or threaten to suspend the transaction of its usual business;
  - (xvii) You are dissolved, or, if its existence is dependent upon a form of registration or authorisation, such registration or authorisation is removed or ends, or any procedure is commenced seeking or proposing its dissolution or the removal or ending of such registration or authorisation;
  - (xviii) An application for ancillary relief is made, relating to the property or entitlement under any of your contracts in any matrimonial proceedings relating to you;
  - (xix) Any other proceeding is commenced with respect to any of your property or involving any organisation of which you are a member;
  - (xx) Any representation or warranty made or given, or deemed to have been made or given, by you, to IBUK or any of their Affiliates, whenever or wherever made, or any transaction, was false or misleading at the time it was made or given, or deemed to be made or given, or later becomes untrue and not corrected within three (3) business days;
  - (xxi) You die, become legally incompetent, become of unsound mind or become incapable, by reason of mental disorder, of managing and administering their property and affairs;
  - (xxii) You fail to provide to IBUK, upon request, any information or documentation requested by IBUK for purposes of verifying your identity or any of your directors, principals, shareholders, owners, authorised signatories or traders, settlors, trustees or other persons whose identity IBUK wishes to identify for purposes of detecting money laundering;
  - (xxiii) You fail to respond to IBUK, IBLLC, or any of their Affiliates' attempts to contact you concerning potentially abandoned property; or
  - (xxiv) IBUK, IBLLC or any of their Affiliates has reason to believe that any of the foregoing is likely to occur imminently.

## A12.2 Default action

A12.2.1 You agree that, after the occurrence of any Event of Default, IBUK, IBLLC and their Affiliates shall have the right, in their respective sole discretion, but not the obligation, to take any one or more of the following actions, by themselves or through IBLLC or another IBUK Affiliate, at any time, without prior notice or demand to you to:

- (i) terminate: (A) this Agreement; (B) any of IBUK's and/or IBLLC's obligations to you; and/or (C) your use of the facilities and services provided by or through IBUK, IBLLC or any of their Affiliates;
- (ii) liquidate, sell, or close-out any or any part of your transactions or open positions or the cash, security or other property in any of your IBUK Accounts, whether carried individually or jointly with others, at any time, in any such manner (including by the entry of offsetting transactions), and in any market as IBUK or its Affiliates deem necessary;

- (iii) hedge and/or offset such transactions, open positions, cash, securities and other property in the cash or other market, including a related but separate market;
- (iv) cancel any open orders for the purchase of any transactions;
- (v) borrow and/or buy any property required to make delivery against any sales, including short sales, effected for you; or
- (vi) exercise any or all option contracts to which you are a party. In the event of a liquidation upon an Event of Default, Section A14 of this Agreement will apply.

### **A13 Set-off rights**

A13.1.1 IBUK and its Affiliates shall be entitled, through IBLLC, at any time, in their discretion, and **without notice to you**, to:

- (i) debit any sums due to IBUK, IBLLC, or their Affiliates under this Agreement (including any sums due pursuant to any transaction) to any of your IBUK Accounts held on the books of IBUK, IBLLC, or their Affiliates;
- (ii) convert any sums at such current rates as IBUK, IBLLC, or their Affiliates consider appropriate into such currencies as IBUK, IBLLC, or their Affiliates may consider appropriate; and
- (iii) merge, consolidate or combine all or any of your IBUK Account(s) and set off any amount (whether actual or contingent, present or future) at any time owing to IBUK, IBLLC, or their Affiliates to you or standing to your credit on any IBUK Account against any amount (whether actual or contingent, present or future) owing by you to IBUK, IBLLC, or their Affiliates. Any security given to IBUK, IBLLC or to any of their Affiliates by or with respect to you, for any purpose, shall extend to any amount owing from you to IBUK, IBLLC or their Affiliates, after such exercise of such right of set-off.

A13.1.2 Additional rights: The rights set forth in this Section A13 shall be in addition to, and not in limitation or exclusion of, any other rights IBUK or its Affiliates may have under this Agreement or Applicable Law.

### **A14 Liquidation of positions**

A14.1.1 You agree that IBUK, IBLLC, and their Affiliates have the right, in our respective sole discretion, but not the obligation, to liquidate all or any part of your assets or positions in any of your IBUK Accounts, whether carried individually or jointly with others (including by the entry of offsetting transactions), at any time, in any such manner, in any market (including but not limited to pre-market/after-market trading and private sales), and through any market or dealer, as IBUK, IBLLC, or their Affiliates deem necessary, without prior notice or margin call to you if at any time:

- (i) your IBUK Account is in deficit (i.e., negative equity);
- (ii) your IBUK Account has insufficient equity to meet margin requirements;
- (iii) IBUK, IBLLC, and their Affiliates (in their respective sole discretion) anticipate that the holding of an open position or any other position in your IBUK Account likely will result in a future margin violation (for example upon expiration of a derivative position);
- (iv) an Event of Default has occurred (see Section A12.1)
- (v) this Agreement has been terminated;
- (vi) you submit and IBLLC or any of its Affiliates executes an order for which you do not have sufficient funds; or
- (vii) whenever IBUK, IBLLC or any of their Affiliates determines (in their respective sole discretion) that liquidation is necessary or advisable for the protection of IBUK, IBLLC or any of their Affiliates.

A14.1.2 You expressly waive any rights to receive prior notice or demand from IBUK, IBLLC or their Affiliates and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of the rights of IBUK, IBLLC or their Affiliates to liquidate any of your positions or assets. You understand that if IBUK, IBLLC or any of their Affiliates liquidate any of your positions or assets, you shall have no right or opportunity to determine the securities to be liquidated or the order or manner of liquidation. IBUK, IBLLC or any of their Affiliates may, in our sole respective discretion, effect

a liquidation on any exchange, Electronic Communications Network or other market, and IBUK, IBLLC or any of their Affiliates may take the other side of such liquidating transaction. If IBUK, IBLLC or their Affiliates liquidates any or all positions or assets in your IBUK Account, such liquidation shall establish the amount of your gain or loss and indebtedness to IBKR, if any.

A14.1.3 You shall be liable and will promptly pay IBUK, IBLLC or their Affiliates (through IBLLC) for any deficiencies in your IBUK Account that arise from a liquidation or remain after such liquidation. IBUK, IBLLC, and their Affiliates have no liability for any loss sustained by you in connection with such liquidation (or if IBUK, IBLLC or their Affiliates delays effecting, or does not effect, such liquidation), even if you re-establish a liquidated position at a worse price. You shall reimburse and hold IBUK, IBLLC or their Affiliates harmless for all actions, omissions, costs, fees (including, but not limited to, attorneys' fees), or liabilities associated with any such liquidation undertaken by IBUK, IBLLC or their Affiliates.

A14.1.4 IBUK, IBLLC and their Affiliates shall not be liable to you for any costs, expenses, fees, penalties, claims, losses, damages or liabilities sustained by you in connection with any liquidation (including, but not limited to, losses on your positions) or because of any delay in, or failure to effect, the liquidation on the part of IBUK, IBLLC or any of their Affiliates or you subsequently re-establish your position at a less favourable price.

A14.1.5 You shall reimburse and hold IBUK, IBLLC and their Affiliates harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, attorneys' fees), penalties, losses, claims, damages or liabilities related to any liquidation or transaction related thereto undertaken by IBUK, IBLLC, or any of their Affiliates. If IBUK, IBLLC, or any of their Affiliates executes an order for which your IBUK Account did not contain sufficient funds and liquidate the trade, you shall be responsible for any costs, expenses, fees (including, but not limited to, attorneys' fees), penalties, claims, losses, damages or liabilities as a result of such liquidation and shall not be entitled to any profit that results from such liquidation.

A14.1.6 If the IBKR System does not, for any reason, effect a liquidation, and IBUK, IBLLC or any of their Affiliates issues a margin call to you by e-mail or any other method, you must satisfy such margin call immediately. You agree to monitor e-mail messages and to satisfy any margin call issued by IBUK, IBLLC or any of their Affiliates by immediately depositing funds in your IBUK Account to pay, in full, the under-margined position. Notwithstanding such margin call, you acknowledge that IBUK, IBLLC or their Affiliates, in their respective sole discretion, may liquidate your positions at any time.

## **A15 Closing rights positions prior to expiration**

A15.1.1 Prior to the start of the last trading day before expiration, you agree to 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 you hold for which you have 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 in your IBUK Account. You acknowledge that approaching expiration with long or short options for which you not or may not have sufficient equity to hold the underlying position puts you and IBUK, IBLLC or any of their Affiliates 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).

A15.1.2 If we in our sole discretion determine that you have or may have insufficient equity to take the underlying position in your IBUK Account upon expiration of an option position, we have the right, but not the obligation, to:

- (i) liquidate some or all the options or rights position prior to expiration;
- (ii) lapse some or all the options (i.e., instruct that they are not exercised), even if in-the-money at expiration; and/or
- (iii) allow some or all the options to be exercised or assigned and then liquidate the resulting position.

A15.1.3 You shall have no claim for damages or lost profits resulting from IBUK, IBLLC or any of their Affiliates taking or not taking any of these actions.

## A16 Applicable Law

A16.1.1 This Agreement and any orders or transactions placed or executed under it are subject to Applicable Law.

A16.1.2 IBUK, IBLLC and/or our Affiliates may take or omit any action considered reasonable to comply with Applicable Law. You acknowledge that exchange rules may afford an exchange wide powers to: (i) close-out a transaction, (ii) require the exercise of set-off rights and/or (iii) take such other steps or combination of steps as the exchange thinks fit in the circumstance. Such powers may be exercised in an emergency or otherwise undesirable situation, or in the event of a default (not necessarily on the part of IBUK, IBLLC, their Affiliates, or yourself).

A16.1.3 You agree that, if a relevant exchange (or intermediate broker acting at the direction of, or as a result of any action taken by, any exchange) takes any action which affects any transaction, then we and/or our Affiliates may take any action which we or any Affiliate, in its absolute discretion, considers reasonable to respond to such action or to mitigate any loss incurred as a result of such action. Any such action taken by us/their Affiliates will be binding on you. **In no event shall we/our Affiliates be liable to you for any action, inaction, decision or ruling of any exchange, market, clearing house or regulatory, self-regulatory, governmental or supra national authority.**

## A17 Governing law and jurisdiction

A17.1.1 This Agreement shall be governed by, and construed in accordance with, the laws of England without giving effect to conflicts of law provisions. You irrevocably agree that, except with respect to controversies or claims that are properly submitted to arbitration in accordance with this Agreement, the courts of England shall have exclusive jurisdiction over all disputes relating to or arising from the execution or performance of this Agreement, any transaction hereunder or any of your IBUK Accounts and you irrevocably submit to the jurisdiction of such courts. You waive any objection which you may have, at any time, to the bringing of any proceedings in any such court and agree not to claim that such proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over it. However, the foregoing shall not prevent IBUK or any of their Affiliates from bringing an action in any court of any other jurisdiction, in their discretion.

A17.1.2 In all judicial actions, arbitrations, or dispute resolution methods, the parties waive any right to punitive damages.

A17.1.3 Legal Fees: With the exception of IBUK and IBLLC's right to recover from you the cost of IBUK and IBLLC's legal fees under Sections A2.2, A14 and this Section A17, in all other instances, including but not limited to arbitration, mediation, litigation, inquiry, or any other matter or proceeding between or regarding you and IBUK and/or IBLLC, IBUK and IBLLC and you agree: (i) to bear your own legal costs, including attorney's fees; and (ii) waive rights to recover from the other party any such costs or fees incurred to the extent permissible under Applicable Law. Each party agrees to indemnify the other party for any costs or fees, including attorney's fees, incurred defending itself against any attempt by the other party to recover attorney's fees in violation of this provision.

A17.1.4 No Waiver: The failure of IBUK or IBLLC to enforce, at any time or for any period, any one or more of the terms or conditions of this Agreement shall not constitute a waiver of such terms or conditions or of the right, at any time subsequently, to enforce all terms and conditions of this Agreement. No provision of this Agreement can be waived without the written consent of IBUK.

A17.1.5 Third Party Rights: Aside from IBUK's Affiliates, a person who is not a party to these terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Agreement, but this does not affect any right or remedy of any third party which exists or was available apart from that Act.

## A18 Arbitration

This Agreement contains a pre-dispute arbitration clause, which is in Appendix 5.

#### **A19 Disclosure statement**

**THIS STATEMENT IS FURNISHED TO YOU BECAUSE CFTC RULE 190.10(c) OF THE U.S. CFTC REQUIRES IT FOR REASONS OF FAIR NOTICE UNRELATED TO IBLLC'S CURRENT FINANCIAL CONDITION: YOU SHOULD KNOW THAT IN THE UNLIKELY EVENT OF THIS COMPANY'S BANKRUPTCY, PROPERTY, INCLUDING PROPERTY SPECIFICALLY TRACEABLE TO YOU, WILL BE RETURNED, TRANSFERRED OR DISTRIBUTED TO YOU, OR ON YOUR BEHALF, ONLY TO THE EXTENT OF YOUR PRO RATA SHARE OF ALL PROPERTY AVAILABLE FOR DISTRIBUTION TO CLIENTS.**

**NOTICE CONCERNING THE TERMS FOR THE RETURN OF SPECIFICALLY IDENTIFIABLE PROPERTY WILL BE MADE BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION.**

**THE CFTC'S REGULATIONS CONCERNING BANKRUPTCIES OF COMMODITY BROKERS CAN BE FOUND AT 17 U.S. CODE OF FEDERAL REGULATIONS PART 190.**



## Part B – Investment Services

### B1 Investment services – introduction

#### B1.1 The Services we provide to you

B1.1.1 This Section B1 is intended to provide you with information about how Services are delivered to you under this Agreement.

B1.1.2 On a non-exhaustive basis, IBUK shall generally be responsible for the following:

- (i) Obtaining and verifying your information and documentation and opening and closing your IBUK Account.
- (ii) Receiving your orders (and modifications and cancellations thereof) through the IBKR System and transmitting them to IBLLC for execution or to another Affiliate or third-party broker.
- (iii) Accepting your instructions regarding voluntary corporate actions (e.g., tender or exchange offers) and transmitting them to IBLLC for processing. Neither IBUK nor IBLLC shall be responsible for providing you with notice of voluntary corporate actions.
- (iv) Determining the commissions and other fees that you will be charged. Commission and fee payments we receive may be shared and allocated between IBUK and IBLLC as IBUK and IBLLC agree from time to time.

B1.1.3 On a non-exhaustive basis, IBLLC shall generally be responsible for the following:

- (i) Executing your orders received via the IBKR System or transmitting them to an Affiliate or third-party broker for execution.
- (ii) Acting as a self-clearing broker for your orders or arranging for the clearing and settlement of transactions.
- (iii) Performing certain cashiering, client money and custody services, as further described in Section C2. With respect to the provision of such services, you shall be treated as a client of IBLLC only and not as a client of IBUK.
- (iv) Extending credit to you, in accordance with the Margin Requirements and Applicable Law.
- (v) Performing certain collection services, including the collection of all commissions and fees and other monies or assets due under the terms of this Agreement.
- (vi) Performing certain back-office and record keeping and reporting functions, including the preparation of confirmations (contract notes) and account statements, distributing such confirmations and account statements, maintaining books and records of all transactions, and reporting such information as may be required by Applicable Law.

B1.1.4 IBUK and IBLLC share responsibility for the provision of certain portions of the IBUK Website and for the provision of client service facilities.

B1.1.5 IBUK has ultimate responsibility for responding to your complaints, but IBLLC is authorised to accept, process and respond to such complaints.

B1.1.6 IBLLC does not control, audit or supervise the activities of IBUK or its registered representatives, nor does it verify any information provided by IBUK about you or your IBUK Accounts.

#### B1.2 No Advice

B1.2.1 We do not provide Advice and will not provide any Advice to you in relation to the type of IBUK Account you should open. IBUK and IBLLC merely provide execution services, meaning that IBUK and IBLLC are only acting on your instructions and will not advise you on any transaction. In providing these services, we will act honestly, fairly and professionally in accordance with the best interests of our clients and in compliance with Applicable Law.

B1.2.2 We may provide you with information about products, including their past performance. However, in providing such information we will not be making any personal recommendations to you or advising you on the merits of any such product. Discussion of alternatives, such as the different types of investment products available to you, shall not amount to Advice. You will be responsible for making your own assessment of any information you receive from us. Nothing on any website is or shall be deemed a personal recommendation or solicitation by us to buy or sell securities, futures or any other investment products, or as to the manner in which those products are bought or sold, or to engage in any investment strategy.

B1.2.3 You will not seek, accept or rely on any Advice (or any communication that could be construed as such) from us or our representatives

### **B1.3 Suitability**

We are not required to assess the suitability of any investment you choose or other services that we might provide to you. This means you will not benefit from the protection of the FCA's rules on assessing suitability.

### **B1.4 Appropriateness**

B1.4.1 Non-complex financial instruments: If you ask us to carry out services in relation to non-complex products IBUK will not be required to assess the appropriateness of the financial instrument or service that we offer or provide to you. This means you will not benefit from the protection of the FCA's rules on assessing appropriateness.

B1.4.2 Complex financial instruments: IBUK is required to assess appropriateness by reference to your knowledge and experience, IBUK may require further information from you in relation to such assessment.

## **B2 Use of Information**

B2.1.1 The price quotations, market information, news and research accessible through the IBUK Website, through the websites of IBUK Affiliates, or through the other services or facilities provided by IBUK or its Affiliates including, without limitation, the "Trader Toolbox" (collectively, "**Information**") may be prepared by Third-Party Information Providers. None of the Information constitutes advice or a recommendation by IBUK or its Affiliates or a solicitation of any offer to buy or sell any securities, options, futures, or other investment products.

B2.1.2 IBUK, their Affiliates, and the Third-Party Information Providers do not guarantee the accuracy, timeliness, or completeness of the Information. Reliance on the quotes, data and Information is at your own risk. You should conduct further research and analysis or consult an investment advisor before making investment decisions and you retain full responsibility for making all trading decisions with respect to your IBUK Account. **In no event shall IBUK, its Affiliates, or the Third-Party Information Providers be liable for costs, expenses, fees, penalties, claims, losses, damages or liabilities, of any kind, arising from the use of the information, including, but not limited to, consequential, incidental, special or indirect damages. There is no warranty of any kind, express or implied, regarding the information, including a warranty of merchantability, warranty of fitness for a particular use or warranty of non-infringement.**

B2.1.3 IBUK, their Affiliates, and the Third-Party Information Providers are not responsible for determining whether you are entitled to receive or subscribe to any research accessible through the IBUK Website or for your compliance with Applicable Law in relation to subscription to any research. You undertake to notify IBUK if you consider that you are not entitled to accept and retain access to any research listed on the IBUK Website. Subscription to research is subject to the charges disclosed on the IBUK Website. You may pay for the subscription directly from your own resources, from a separate research payment account, or as otherwise permitted under applicable rules.

B2.1.4 The Information is the property of IBUK, IBUK's Affiliates, the Third-Party Information Providers, and/or their licensors and is protected by applicable intellectual property law (e.g., patent, copyright and trademark law). You agree not to reproduce, re-transmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information, in any manner, without the express written consent of IBUK, IBUK's Affiliates, or the Third-Party Information Providers, as applicable. IBUK and their Affiliates reserve the right to terminate access to the Information, at any time, without notice to you.

B2.1.5 Links to outside websites ("**Outside Websites**") are provided for the convenience of Clients and other IBUK Website visitors only and do not constitute advice or a recommendation by IBUK or its Affiliates or a solicitation of any offer to buy or sell any securities, options, futures, or other investment products. Such links lead to third-party websites that are independent of IBUK and their Affiliates. Neither IBUK nor its Affiliates guarantee or warrant the accuracy, timeliness or completeness of any information provided on the Outside Websites. Reliance on the information on the Outside Websites is at your own risk. In no event shall IBUK or its Affiliates be liable for costs, expenses, losses, claims or damages, of any kind, arising from the use of the Outside Websites including, but not limited to, consequential, incidental, special or indirect damages. IBUK and their Affiliates reserve the right to terminate any link to any Outside Website, at any time, without notice to you.

## **B3 Orders and confirmations**

### **B3.1 Responsibility for your orders**

B3.1.1 IBUK, IBLLC and their Affiliates shall be entitled to act upon any instructions given or purported to be given by you. Once given, your instructions may only be withdrawn with our consent. You understand that neither IBUK nor any of their Affiliates is able to know whether someone other than you has entered, or is entering, orders using your credentials, such as your username, password, or security device ("**Credentials**").

B3.1.2 You are responsible for the confidentiality and use of your Credentials as well as any orders entered with your Credentials. You agree to provide us Written Notice as soon as possible, upon becoming aware of the loss or theft of your Credentials, or of any unauthorised access to your IBUK Account. However, you shall remain responsible for all transactions entered using your credentials prior to us receiving such Written Notice. Neither IBUK, IBLLC nor their Affiliates will be liable for loss or damages caused by any third-party using your Credentials. Unless we agree otherwise in writing, you are not permitted to allow any third-party to access your IBUK Account using your Credentials.

### **B3.2 Order routing and order execution**

B3.2.1 IBUK will act in accordance with your best interests when transmitting your orders to other entities for execution and shall take all sufficient steps to obtain the best result for you taking into account the best execution factors including price, costs, speed, likelihood of execution, size, nature of an order and any other consideration relevant to the execution of the order such as the nature of the relevant market, prevailing market conditions and possible market impact. Further information is included in the Order Execution Policy, which is available on the IBUK Website: <https://www.interactivebrokers.co.uk/en/accounts/legalDocuments/mifidExecPolicy.php>

B3.2.2 Unless you tell us otherwise, IBLLC will route your orders via a market or dealer selected by it or its Affiliates. You are responsible for trading in accordance with any rules or policies applicable to your order (e.g., trading hours, order types, etc.). To the extent that IBLLC or its Affiliates provide execution services for you, they shall provide best execution in accordance with Applicable Law.

B3.2.3 For investment products that are traded at multiple market centres, IBLLC may provide an order-by-order best execution order-routing option whereby the IBKR System attempts to seek the best available terms for your order using a proprietary, computerised routing algorithm ("**Smart Routing**"). You may wish to choose Smart Routing when trading products for which Smart Routing is available. If you elect to direct orders to a particular market centre, you assume responsibility for examining and directing your trading in accordance with the relevant Rules of the market centre to which the orders are routed (e.g., Rules regarding trading hours, bidding and offering, types of orders accepted, short sale restrictions, odd-lot trading restrictions, etc.). You acknowledge that, if you elect to direct orders to a

particular market centre, you do so at your own risk, including the risk that such orders may be executed on less advantageous terms.

B3.2.4 IBUK, IBLLC and their Affiliates cannot and do not warrant or guarantee that every order you place will be executed at the best posted price. Among other things: (a) neither IBLLC nor its Affiliates may have access to every market at which a particular product may trade; (b) orders of others may trade ahead of your order and exhaust available volume at a posted price; (c) exchanges or market makers may fail to honour their posted prices; (d) exchanges may re-route your orders out of automated execution systems for manual handling (in which case, execution or representation of your order may be substantially delayed); or (e) exchange or market rules or decisions, systems delays or failures, or other matters may prevent your order from being executed, cause a delay in the execution of your order, or cause your order not to receive the best price.

B3.2.5 IBLLC and its Affiliates are authorised to execute your orders as agent or principal (matched, or otherwise) as subsequently confirmed to you. IBLLC or its Affiliates may act as agent both for buyer and seller in a transaction. IBLLC may utilise another executing broker or dealer, including an Affiliate or a non-affiliated third party, to execute your orders and in such cases the executing party shall have the benefit of all IBLLC's rights and remedies and limitations on liability under this Agreement.

B3.2.6 You authorise us to engage in proprietary trading, and to execute the proprietary trades for ourselves and our respective Affiliates, even though IBUK or IBLLC may simultaneously hold unexecuted orders for you, for the same products, which could be executed at the same price. **You further agree that we may trade with you for our own account or an Affiliate or another client and may earn a profit on those trades.**

B3.2.7 We may suspend or terminate this Agreement and/or your use of the facilities and services provided by us or our Affiliates at any time, in our sole discretion, without prior notice to you. Such restrictions on trading activity may include but are not limited to:

- (i) prohibiting you from engaging in the trading of (or entering orders to open or increase the size of a position in) any individual instrument or category of instrument (whether stock, option, or another security, or a commodity, or other investment product);
- (ii) prohibiting certain types of trades or orders; or
- (iii) limiting order size or value at risk.

Notwithstanding the above, you remain responsible for your orders and transactions whether or not your trading activity is restricted. All transactions are subject to Applicable Law. **IBUK and its Affiliates are not liable for any action or decision of any exchange, market, dealer, clearing house or regulator, or the direct or indirect consequences thereof.**

B3.2.8 Exchanges and regulators require brokers to impose various pre-trade filters and other checks to try to ensure that orders do not disrupt the market or violate market rules. Exchanges, other markets and dealers also apply their own filters and limits to orders they receive. These filters or order limits may cause your orders, including but not limited to market orders, to be delayed in submission or execution, either by IBLLC or its Affiliates, or by the market. Filters may also result in an order being cancelled or rejected. IBLLC and/or its Affiliates may also cap the price or size of your orders before they are submitted to an exchange. IBLLC and its Affiliates reserve the right in their sole discretion, without notice, to impose filters and order limits on any order you place and will not be liable for any effect of filters or order limits implemented by IBLLC, its Affiliates, or an exchange, market or dealer.

### B3.3 Short sales

B3.3.1 You acknowledge that:

- (i) short sales may only be effected in a margin-enabled account and are subject to initial and maintenance Margin Requirements;
- (ii) interest rates paid to, or rates or fees collected from, you in connection with borrowing securities to maintain short positions are subject to frequent change and will vary based on the nature of the security sold short (e.g., financing a short position in a hard-to-borrow stock may be much more costly);

- (iii) prior to effecting a short sale for you, IBLLC or their Affiliates (as applicable) must have reasonable assurance that they will be able to borrow such stock on your behalf to effect delivery of such stock to the purchaser;
- (iv) IBLLC or its Affiliates may reject any short sale if they do not believe they can borrow the relevant security for delivery; and
- (v) if IBLLC or its Affiliates, as applicable, are unable to borrow stock to enable you to effect delivery on a short sale, or if IBLLC or its Affiliates, as applicable, is unable to re-borrow stock in order to satisfy a re-call notice from a stock lender, then IBLLC or its Affiliates may buy-in pursuant to regulatory or clearing house rules.

B3.3.2 You understand that, if IBLLC or its Affiliates, as applicable, are unable to borrow or re-borrow such stock, or if, for any other reason, IBLLC or its Affiliates do not wish to carry your short position, then IBLLC and its Affiliates, without notice to you, are authorised by you to cover your short position by purchasing stock on the open market at the then-current market price and you shall be liable for any resulting losses and all associated costs incurred by IBLLC or its Affiliates. You acknowledge that short sale regulations, or unavailability of stock to borrow, may require IBLLC or its Affiliates to close out a short position of yours, in which case you may be charged commission on the close-out trade.

### **B3.4 Position limits**

B3.4.1 You agree that we, in our sole discretion, may establish position limits and/or may limit the number of open positions that you may execute or hold through IBLLC or any of its Affiliates.

B3.4.2 You agree:

- (i) not to enter into any transaction that would have the effect of exceeding such position limits;
- (ii) that IBLLC or any its Affiliates may at any time reduce open positions by issuing closeout or offsetting trades, or require to reduce your open positions; and
- (iii) that IBUK, IBLLC or any of their Affiliates may refuse for any reason to accept orders to establish new positions.

B3.4.3 IBUK, IBLLC or any of their Affiliates may impose and enforce such limits, reduction or refusal even if not required to do so by Applicable Law. You shall comply with all position limits established by IBUK, IBLLC or any of their Affiliates, any regulatory or self-regulatory organisation, or by any exchange

B3.4.4 You agree to submit Written Notice to IBUK, IBLLC or any of their Affiliates if required to file position reports with any regulatory or self-regulatory organisation or with any exchange, and agree to promptly provide IBUK, IBLLC or any of their Affiliates with copies of any such position reports.

### **B3.5 Order cancellation and modification**

It may not be possible to cancel or modify an order. Any attempt that you may make to cancel or modify an order is simply a request to cancel or modify. Neither IBUK nor its Affiliates shall be liable to you if unable to cancel or modify an order. You are responsible for executions notwithstanding a request to cancel or modify an order. You acknowledge that attempts to modify or cancel and replace an order may result in an over-execution of the order, or the execution of duplicate orders, and you shall be responsible for all such executions.

### **B3.6 Fast and volatile markets**

B3.6.1 During periods of heavy trading and/or fast or volatile market conditions with wide price fluctuations ("**Fast Markets**"), there may be delays in IBUK or IBLLC executing your orders or providing trading activity reports to you.

B3.6.2 If you place a market order in a Fast Market, there may be a significant difference in the quote you receive prior to or at the time you place the order and the execution price you receive. By placing a market order under such conditions, you accept this risk and waive any claim related to a difference between quoted and execution price. If IBUK or IBLLC, in their sole discretion, believe any particular stock is or may be volatile, IBUK or IBLLC may, but are not obligated to, decline to allow clients, including

you, to place orders for that stock through the IBKR System. In addition, IBUK and IBLLC reserve the right, but are not obligated, to prevent any initial public offering stock from being traded through its services. IBUK and IBLLC shall not be liable to you for any losses, lost opportunities or increased commissions that may result from you being unable to place orders for these stocks through the IBKR System.

### **B3.7 Confirmations and account statements**

B3.7.1 IBUK and its Affiliates have no responsibility for your transmission of orders that are inaccurate or not received by IBUK or its Affiliates and may execute any order or trade on the terms actually received. You are bound by trades as executed, if execution is consistent with your order as entered. IBUK and its Affiliates may, in their sole discretion, adjust your IBUK Account to correct any error. You agree to promptly return to IBUK and its Affiliates any erroneous payment, transfer or distribution.

B3.7.2 IBUK and/or its Affiliates shall provide you with a summary of the trading activity on your IBUK Account on a daily basis. We shall also provide to you with a statement of your IBUK Account on a monthly basis.

B3.7.3 IBUK, IBLLC and their Affiliates may elect to confirm the execution or cancellation of any order you place by the sole methods of transmitting an electronic confirmation to you via e-mail or through the IBKR System or, for security purposes, by posting the information on the IBUK Website with a notification sent to you to login and retrieve the information. You agree to accept electronic trade confirmations in lieu of printed confirmations.

B3.7.4 You will monitor each open order until IBUK or one of its Affiliates confirms the execution or cancellation of the order to you. Confirmations of executions or cancellations may be delayed or erroneous for various reasons including, but not limited to computer system issues or inaccurate reporting, or may be cancelled or adjusted by an exchange, market, or dealer.

B3.7.5 You will submit a Written Notice to IBUK as soon as possible (but in any event within one (1) business day) if: (1) you fail to receive a confirmation; (2) you receive a confirmation that is inaccurate / different to the order you placed; or (3) you receive a confirmation for an order that you did not place. You must notify us as soon as possible if you receive information in any account statement or other form not addressed above that includes incorrect information. **If you fail to provide such Written Notice, IBUK and their Affiliates reserve the right to remove the trade from your IBUK Account or require you to accept the trade, in our sole discretion.**

B3.7.6 IBUK and their Affiliates accept no responsibility for inaccurate orders or orders that are not received by IBUK or its Affiliates and may execute any order or trade on the terms actually received. You will be bound by trades as executed, if consistent with your order as received by us.

B3.7.7 IBUK, IBLLC or their Affiliates, acting in our sole discretion, may adjust your IBUK Account to correct any error. You agree to promptly return any assets distributed to you to which you were not entitled.

### **B4 Settlement processes and how we will settle with you**

#### **B4.1 Submission and disbursement of funds**

B4.1.1 You agree to submit all funds related to any transaction or to your IBUK Account or otherwise made pursuant to this Agreement (including, but not limited to, funds submitted to satisfy Margin Requirements) directly to IBLLC or to a designated financial institution with which IBLLC maintains an account, in accordance with the instructions then set forth on the IBUK Website and in effect. IBUK reserves the right to amend such instructions, in its sole discretion, at any time, upon notice made by posting the amended instructions on the IBUK Website.

B4.1.2 Funds shall not be disbursed to you until after positions are settled. Funds received by cheque shall not be disbursed prior to twelve (12) business days from the date of deposit by IBLLC.

#### **B4.2 Delivery**

If, at any time, either:

- (i) you fail to deliver to IBLLC or to any of its Affiliates any property previously sold by IBLLC or its Affiliates on your behalf, or you fail to deliver any property in compliance with any transaction; or
- (ii) IBLLC or any of its Affiliates is required or reasonably deems it necessary or desirable (whether by reason of the requirements of any exchange, clearing organisation or otherwise) to replace any property delivered by IBLLC or its Affiliates for your IBUK Account with other property of like or equivalent kind or amount,

then: you authorise IBLLC and its Affiliates, in their respective discretion, to borrow or to buy any property necessary to make delivery of property in compliance with any transaction or to replace any such property previously delivered and to deliver the same to such purchaser or other party to whom delivery is to be made, and if IBLLC or any of its Affiliates borrows or otherwise acquires property from a third party for such purposes, IBLLC and its Affiliates may subsequently pay for, or repay the loan of, such property with securities purchased or otherwise acquired for your IBUK Account.

### **B4.3 Commodity options and futures not settled in cash**

B4.3.1 You acknowledge that, except as otherwise permitted in Appendix 4:

- (i) For futures contracts that do not settle in cash but settle by physical delivery of the commodity (except for currencies on our deliverable currency list, as is available on the IBUK Website from time to time), you cannot make or receive delivery.
- (ii) For options contracts that settle into futures contracts covered by Section B4.3.1(i) above, you cannot hold such option contract to expiry if doing so would result in you being obligated to make or receive delivery on such futures contract.

B4.3.2 If you have not offset a commodity option or physical delivery futures position prior to the deadline on the IBUK Website, IBUK or its Affiliate is authorised to roll or liquidate the position or liquidate any position or commodity resulting from the option or futures contract, and you shall be liable to IBUK and their Affiliates for all losses or costs incurred in connection with such transactions.

### **B4.4 Corporate actions**

B4.4.1 You are responsible for knowing the terms of any securities, options, derivatives, futures, warrants or other products in your IBUK Account, including but not limited to upcoming corporate actions (e.g., tender offers, reorganisations, stock splits, bankruptcy or class action rights, etc.) and expiration dates of futures, options or other derivative products. IBUK has no obligation to notify you of any such or similar terms, corporate actions, expiration dates, deadlines, required actions, or dates of meetings, nor is IBUK obligated to take any action without Written Notice.

B4.4.2 If you receive fractional shares as the result of a stock split or other corporate action, we or our Affiliates, in our sole discretion, may sell the fractional shares either on the open market or to the issuer or transfer agent, and you are entitled to receive your pro rata share of the proceeds of such sale. If sold on the open market, the sale price may differ from that offered to certain registered owners by the issuer or transfer agent.

## Part C - Holding your money and investments

### C1 Universal Account

C1.1.1 You acknowledge that your IBUK Account consists of two underlying accounts ("**Universal Account**"): (i) an account for trading securities and equity options, which is carried by IBLLC pursuant to SEC regulations and (ii) an account for trading futures and options on futures, which is carried by IBLLC pursuant to CFTC regulations. You understand and acknowledge that the Universal Account is two separate accounts for bookkeeping and regulatory purposes. You authorise IBUK, IBLLC and their Affiliates to combine information regarding the separate securities/equity options and futures/options on futures accounts including but not limited to, trade confirmations and position and margin information, into a single statement sent to you

C1.1.2 While IBUK, IBLLC and their Affiliates may (but are not required to) provide a mechanism for you to express a preference regarding in which account cash awaiting investment should be held, excess cash may be swept from one account to the other by IBUK, IBLLC and their Affiliates to provide excess coverage for margin or other obligations at IBUK, IBLLC and their Affiliates' sole discretion. You authorise IBUK, IBLLC and their Affiliates to provide combined confirmations/statements for both accounts.

C1.1.3 By making use of the Universal Account functionality, you acknowledge that **the funds and positions in the underlying futures/options on futures account are not entitled to any U.S. SIPC protection nor to any excess SIPC-type insurance coverage that may be provided by IBLLC or its Affiliates**. Only assets in the securities account are covered by SIPC protection and excess coverage; SIPC does not cover assets in the commodity account.

### C2 Our client money and custody services

C2.1.1 IBLLC shall provide certain client money and custody services for you and with respect to your transactions and IBUK Accounts ("**Client Money and Custody Services**"). The Client Money and Custody Services shall include, without limitation: (a) accepting and holding all money submitted to fund your IBUK Account (including, without limitation, funds submitted for the purpose of satisfying Margin Requirements; (b) holding your securities and other assets (including, without limitation, collateral and safe custody investments); (c) applying the Margin Requirements to your account; (d) conducting stock lending activity with or for you; (e) crediting your IBUK Account for any credit interest owed to you from IBUK; (f) debiting your account for any daily or debit interest owed by you to IBUK; (g) transferring funds to you (e.g., upon your request for a withdrawal of funds from your IBUK Account); and (h) under the circumstances set forth in this Agreement, effectuating the liquidation of your positions or assets.

C2.1.2 Notwithstanding any other Services provided by IBLLC to IBUK or to you in accordance with B1, you shall be a client of IBLLC, and not of IBUK, for the purposes of the provision of the Client Money and Custody Services. The terms and conditions of this Agreement shall apply to IBLLC's provision of the Client Money and Custody Services to you. Notwithstanding the foregoing, IBLLC may be a third-party beneficiary to any portion of this Agreement or any other agreement between IBUK and you.

C2.1.3 IBLLC is located outside of the United Kingdom and IBLLC may deposit and hold money, securities, and other assets (including, but not limited to, collateral and safe custody investments) on your behalf in accounts that are located outside of the United Kingdom. The legal, regulatory, and settlement regime applicable to IBLLC and to the entities in which your money, securities and other assets will be held will be different from that of the United Kingdom (i.e., any client money and custody Rules promulgated by the FCA will not apply). Among other things, different practices for the separate identification of your money, securities, and assets may apply and, in the event of a default of IBLLC or the entity in which your money, securities and other assets are held, your money, securities and assets may be treated differently from the position that would apply if the money, securities or assets were held in the United Kingdom.

C2.1.4 To the extent that IBLLC holds client money, securities, or other assets, IBLLC will hold such money, securities, and assets in accordance with the rules of the SEC and the CFTC, as applicable.



C2.1.5 IBLLC may pass money, securities, or other assets held on your behalf to another intermediate broker or agent, settlement agent, or over-the-counter counterparty ("**OTC Counterparty**") that also is located in a jurisdiction outside of the United Kingdom. In such circumstances, the legal, regulatory, and settlement regime applying to the intermediate broker, settlement agent, or OTC Counterparty with which your money, securities or other assets are held will be different from that of the United Kingdom (i.e., any FCA client money and custody Rules will not apply). Among other things, different practices for the separate identification of your money, securities, and assets may apply, and, in the event of a default of the intermediate broker, settlement agent or OTC Counterparty, your money, securities and assets may be treated differently from the position which would apply if such money, securities and assets were held by an intermediate broker, settlement agent or OTC Counterparty in the United Kingdom.

### **C3 Stock lending activity (our right to use your assets)**

C3.1.1 You consent to IBLLC and its Affiliates undertaking, or otherwise engaging in, stock lending activity and the lending of your collateral, securities or other property (including, but not limited to, safe custody investments) including, but not limited to, using your collateral, securities or other property for their own accounts or for the accounts of other clients, and lending, either to themselves, to their Affiliates, or to others, any of your collateral, securities and other property held by IBLLC in your IBUK Accounts. Pursuant to Applicable Law, IBLLC or its Affiliates may, from time to time and without notice to you, deposit all collateral, securities and/or other of your property with third parties and may pledge, re-pledge, hypothecate or re-hypothecate, all your collateral, securities and/or other of your property, either separately or together with other securities and/or other property of other clients of IBUK, IBLLC or their Affiliates, for any amount due to IBUK, IBLLC, their Affiliates or other persons, in any IBUK Account in which you have an interest. IBLLC or its Affiliates, may so pledge, re-pledge, hypothecate or re-hypothecate of your collateral, securities and/or other property without retaining in IBLLC's or its Affiliate's possession or under its control for delivery a like amount of similar collateral, securities and/or other property and IBLLC or its Affiliates may return to your collateral, securities and/or other property other than the original, or original type of, collateral, securities and/or property that you deposited with IBLLC. Collateral that is registered with a third party may not be in your name.

C3.1.2 To the extent that IBLLC or its Affiliates undertake any stock lending activity with or for you, you should be advised that:

- (i) such activity may affect your tax position and you should consult his tax advisor prior to any involvement in this activity; and
- (ii) there may be consequences to such activity, including in relation to your rights as holder of the designated investments.

### **C4 Security interest**

C4.1.1 Any and all securities, cash, investments, contracts, foreign currency, collateral and/or property belonging to you (including, but not limited to, your safe custody investments) and all proceeds of the foregoing, held by or on behalf of IBUK, IBLLC or their Affiliates for your IBUK Account, are hereby pledged to the IBKR Group and shall be subject to a perfected first priority lien and security interest in favour of IBUK or IBLLC, as applicable, to secure performance of your obligations and liabilities to IBUK and IBLLC arising under this Agreement, any other agreement between you, IBUK and/or IBLLC, or any transaction under such agreements.

C4.1.2 IBUK, IBLLC, and their Affiliates, without notice to you may use, transfer or sell or otherwise realise any or all of your property to enforce their lien including, but not limited to, by applying the proceeds of such transfer or realisation in satisfaction of such indebtedness or obligation. You agree that, on demand, you shall execute and sign all documents (including, without limitation, any stock transfer forms) which IBUK, IBLLC, or their Affiliates may determine to be necessary or expedient.

### **C5 Restricted securities**

Unless you have submitted Written Notice to IBUK and IBLLC to the contrary, no assets held as collateral are “*restricted securities*”, as such term is defined pursuant to Rule 144 under the Securities Act of 1933, (the “**Securities Act**”), or securities of an issuer with which you are an “*affiliate*”, (as such term is defined pursuant to Rule 144 under the Securities Act). You agree not to attempt to sell such restricted securities through us without first providing us with Written Notice of your intention and receiving our consent in writing to do so.

## **C6 Worthless and Non-Transferable Securities**

You agree IBUK, IBLLC or any of their Affiliates has the right to remove from your IBUK Account securities that are worthless and/or non-transferable, including any security that is deemed to have been cancelled, revoked or otherwise invalidated. Worthless, invalid or non-transferable securities subject to removal may include, but are not limited to, securities with revoked registration, or those issued by an entity that is bankrupt, dissolved or has had its charter revoked

## **C7 Unclaimed property**

Under the laws applicable to your IBUK Account, IBUK, IBLLC, or their Affiliates may be required to turn over to government authorities property that is deemed abandoned. To avoid such escheatment of property, you must periodically show activity on your IBUK Account (by logging in) or otherwise contacting IBUK or IBLLC. Before remitting abandoned property, IBUK or IBLLC will write to you at the last known physical and email address on the IBUK Account. Neither IBUK, IBLLC, nor our Affiliates are liable for any loss arising from or related to escheatment of your property under Applicable Law.

## Part D - Terms that apply to margin-enabled accounts

### D1 Margin accounts

#### D1.1 Terms that apply to all margin-enabled accounts

**D1.1.1 Risk of Margin Trading:** You understand that trading on margin involves a high degree of risk and may result in a loss of funds greater than the amount you have on deposit in your account. You represent that you have read and understand the "*Disclosure of Risks of Margin Trading*" provided separately to you.

**D1.1.2 Requirement to Maintain Sufficient Margin Continuously:** Your margin transactions are subject, at all times, to our initial margin and maintenance margin in accordance with the margin requirements which have been established by them or the applicable exchanges, clearing houses, and regulators, whichever is greater ("**Margin Requirements**"). Our Margin Requirements may exceed the margin required by any exchange, clearing house, or regulator and may include leverage ratio limits or position size limits for securities, futures, commodities, currencies, or other investment products (even for apparently low-risk positions), and may exceed 100% depending upon the product and market conditions. The general formulas for calculating Margin Requirements provided on the IBUK Website are only indicative and may not accurately reflect the actual Margin Requirements, which can change rapidly depending on market conditions. **You must at all times satisfy the Margin Requirements as calculated by us.** You shall maintain, without notice or demand from IBUK, IBLLC or their Affiliates, a sufficient account balance at all times so as to continuously satisfy the applicable Margin Requirements. You shall submit all payments made to satisfy Margin Requirements directly to IBLLC in accordance with the instructions on the IBUK Website. If you have multiple IBUK Accounts with us (or if you utilise IBLLC's partition function to create subaccounts), at IBLLC's and its Affiliates sole discretion, they may treat such IBUK Accounts (and/or subaccounts) either as separate or as one IBUK Account for purposes of applying the Margin Requirements. You acknowledge that this may cause the total Margin Requirement to be higher than otherwise and could cause positions to be liquidated in one IBUK Account or subaccount notwithstanding excess equity in another IBUK Account or subaccount.

**D1.1.3 Modification of Margin Requirements:** IBLLC and/or its Affiliate(s) may modify the Margin Requirements for any or all its clients, for any open and new positions, at any time, in our sole discretion without prior notice. You shall be required to supplement margin any time that we increase your Margin Requirements.

**D1.1.4** For the purposes of determining your compliance with Margin Requirements, IBLLC will determine in our sole discretion the value of positions and assets in your IBUK Account. IBLLC calculations may differ from the values or prices disseminated by exchanges or other market data sources. For example, IBLLC may calculate its own index values, ETF values or derivatives values, and IBLLC shall have the sole discretion in deciding whether and how to value securities, derivatives or other investment products based on bid price, offer price, last sale price, bid/ask midpoint or using some other method. IBLLC may use a valuation methodology that is more conservative than the marketplace as a whole and this may effectively constitute a higher "house" margin requirement. IBLLC may raise Margin Requirements in advance of an upcoming change in the required exchange or clearing house margin even before the effective date of such change.

**D1.1.5 Acceptable Margin:** Margin shall be provided by or on your behalf in the acceptable forms listed and in effect on the IBUK Website. We reserve the right to alter the acceptable forms of margin, in our sole discretion, by posting the amended acceptable margin forms on the IBUK Website.

**D1.1.6 Failure to Satisfy Margin Requirements:** **You shall monitor your IBUK Account so that, at all times, the IBUK Account shall contain sufficient account equity to continuously satisfy the Margin Requirements, without notice or demand.** We may reject any order if your IBUK Account does not have a sufficient account equity to satisfy the Margin Requirements and may delay the processing of any order while determining the margin status of your IBUK Account. Your failure to satisfy the Margin Requirements constitutes an Event of Default and provides IBUK and/or its Affiliate(s) the right, but not the obligation, to pursue all rights and remedies available to it pursuant this Agreement, including the right to liquidate your positions.

**D1.1.7 Margin Calls: IBUK, IBLLC, and their Affiliates generally do not issue margin calls. We are not obligated to notify you of any failure to meet the Margin Requirements in your IBUK Account prior to our exercising any of our respective rights and remedies under this Agreement. We generally will not issue margin calls or not credit your IBUK Account to meet intraday margin deficiencies. We are authorised to liquidate positions in your IBUK Account in order to satisfy the Margin Requirements without prior notice to you.**

D1.1.8 You acknowledge and agree that Margin Requirements and related rules of exchanges, clearing houses and regulators generally are designed to protect the integrity of markets and the capital of broker-dealers that are subject to such rules and are not generally intended to protect you. Our failure to apply or enforce Margin Requirements and related rules shall not give you any right to bring an action against us or our Affiliates and nothing in this Agreement constitutes a warranty or undertaking that we will apply or enforce the Margin Requirements and related rules.

D1.1.9 Use of margin: You acknowledge and agree that:

- (i) IBLLC or its Affiliates may use any margin in the form of securities for their own accounts or the accounts of any of their other clients for the purposes of settling trades, in which event IBUK, IBLLC and their Affiliates shall not be liable for any loss or expense whatsoever that is suffered or incurred by you arising out of such use;
- (ii) IBLLC may return to you margin in the form of securities which are equivalent, but not identical to, the securities you originally deposited with IBLLC; and
- (iii) Margin in the form of securities may be registered in the name of IBLLC, an Affiliate, or such other person as IBLLC may determine. Any investments or documents of title will be held by IBLLC or any third party as IBLLC shall determine in relation to margin in the form of securities. Neither IBLLC nor their Affiliates shall not be liable for any default by any other person holding such margin.

## **D1.2 Terms that apply to Multi-Currency Enabled Accounts**

D1.2.1 Operation of Multi-Currency Accounts: The Multi-Currency Enabled Account function gives you the ability to conduct transactions and trade securities or futures contracts that are denominated in different currencies. If you incur an obligation in a currency, and if insufficient funds exist in the Multi-Currency Enabled Account in that currency, a margin loan shall be created to fund the obligation, secured by the assets in your IBUK Accounts.

D1.2.2 Impact Application (IMPACT APP) Accounts: In accounts opened through IMPACT, we will automatically convert currencies to facilitate multi-currency trading for orders entered through IMPACT or any other Interactive Brokers trading platform. To do this, we will engage in "spot" currency transactions on your behalf in order to settle your buy orders when the base currency of the account is different from that of the security being bought. Please refer to the "*Interactive Brokers Disclosure Regarding Automatic Currency Conversion Feature Of Impact App Accounts*" linked here ([https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration\\_v2.formSampleView?formdb=4338](https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=4338)) for further information

D1.2.3 Foreign Currency Exchange ("Forex") Transaction Facility: If you have a Multi-Currency Enabled Account, you may exchange cash funds between the base currency of the IBUK Account and other currencies through spot foreign exchange transactions executed through the IBKR System. You can use these spot foreign exchange transactions to convert funds to repay margin balances, to convert gains generated on investments denominated in foreign currency back into the base currency, or to take positions in particular currencies for purposes of investment or speculation.

D1.2.4 Forex Transactions: For Forex transactions executed through IBUK's spot foreign currency exchange facility, IBUK, IBLLC or one of their Affiliates generally will act as agent or riskless principal and may effect such transactions through an IBUK Affiliate, which may earn a profit (or suffer a loss) in connection with such transactions. You shall pay a transaction fee to IBUK (through IBLLC) for each Forex transaction, which IBUK (through IBLLC) may deduct from your IBUK Account. IBUK may modify the transaction fee rates upon notice to you via the IBUK Website or otherwise.

D1.2.5 Margin: You are required to maintain sufficient funds in your Multi-Currency Enabled Account at all times to meet the Margin Requirements set by IBLLC or be subject to liquidation of positions as described in this Agreement. If you maintain positions denominated in foreign currencies, the IBKR

System will calculate the margin required to carry those positions by applying exchange rates specified by IBLLC and translating the foreign currency margin balances into the base currency specified by you (you understand that this is a pro forma calculation - no funds will be converted for purposes of margin calculations).

**In translating your foreign currency margin requirements into the base currency, IBLLC will apply "haircuts" (a percentage discount on the foreign currency equity amount) to reflect the possibility of fluctuation in exchange rates between the base currency and the foreign currency. You therefore must closely monitor margin requirements at all times, particularly for positions denominated in foreign currencies (because currency fluctuations, in addition to fluctuations in the value of the underlying position, can cause you to incur a margin deficit).**

D1.2.6 You agree that IBUK and IBLLC's obligations to you shall be denominated in: (i) the United States dollar; (ii) a currency in which funds were deposited by you or were converted at your request, to the extent of such deposits and conversions; or (iii) a currency in which funds have accrued to you as a result of trading conducted on a designated contract market or registered derivatives transaction execution facility, to the extent of such accruals. Information regarding your currency conversions is provided on your statements.

D1.2.7 You agree that IBLLC may hold your funds in: (i) the United States; (ii) a money-centre country as defined by the US Commodity Exchange Act 1936 ("Commodity Exchange Act") and regulations thereunder; or (iii) the country of origin of the currency. In addition, you authorise us and their Affiliates to hold your funds outside the United States, in a jurisdiction that is neither a money-centre country nor the country of origin of the currency to facilitate your trading in investments denominated in that jurisdiction's currency.

D1.2.8 **High risks of forex trading:** Forex trading is generally unregulated, is highly risky due to the leverage (margin) involved and may result in loss of funds greater than you have on deposit in the IBUK Account. You confirm that you have read the "Risk Disclosure Statement for Forex Trading and Multi-Currency Accounts" provided separately by IBUK and also available [here \(https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration\\_v2.formSampleView?formdb=3024\)](https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=3024) ).

D1.2.9 For Forex transactions, IBLLC generally will act as agent or riskless principal and charge a fee. IBLLC may effect Forex transactions through an Affiliate or third party, which may profit or experience a loss from such transactions. IBLLC may act as agent both for buyer and seller in a transaction. You agree that IBLLC may transfer, to or from your regulated futures or securities IBUK Accounts, and from or to any of your non-regulated Forex IBUK Accounts, any funds or assets that may be required to meet margin requirements, reduce debit balances or for any other lawful reason.

D1.2.10 **Forex rates:** If IBLLC or any of its Affiliates enters into a transaction that is effected in a currency other than the currency provided by you to IBLLC, then any loss arising from a fluctuation in the exchange rate affecting the foreign currency will be at your risk. Upon liquidation of such transaction, IBUK (through IBLLC), in its discretion, may debit or credit your IBUK Account, in such foreign currency or other currency at the rate then prevailing at the time of the liquidation as IBUK shall reasonably select.

D1.2.11 **Right to refuse orders:** These provisions do not evidence the commitment of IBUK or IBLLC to enter into foreign currency exchange transactions generally or to enter into any specific foreign currency exchange transaction. IBUK and IBLLC reserve the right, exercisable at any time in our sole respective discretion, to refuse: (1) acceptance of your orders, or (2) to quote a two-way market.

D1.2.12 **Authorisation to transfer funds:** You agree that IBLLC may transfer to or from your regulated securities/equity options IBUK Account or futures/ options on futures IBUK Account from or to any of your non-regulated foreign currency IBUK Accounts, funds or securities that may be required to avoid margin calls, reduce debit balances or for any other reason that is not in conflict with Applicable Law.

### D1.3 Netting provisions

D1.3.1 **Netting by Novation:** Each foreign currency transaction made between you and IBUK, IBLLC or any of their Affiliates will immediately, upon its being entered, be netted with all then existing foreign currency transactions between you and IBUK, IBLLC and their Affiliates for the same currencies so as to constitute a single foreign currency transaction.

**D1.3.2 Payment Netting:** If on any delivery date more than one delivery of a particular currency is to be made between you and IBUK, IBLLC or one of their Affiliates 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.

**D1.3.3 Close-Out Netting.** In the event that you: (a) incur a margin deficit in your IBUK Account, (b) default in the payment or performance of any obligation to IBUK or IBLLC under any agreement with IBUK or IBLLC, (c) become the subject of a bankruptcy, insolvency or other similar proceeding, or (d) fail to pay its debts generally as they become due, IBUK, IBLLC and their Affiliates shall be entitled, in their discretion, but not the obligation, to immediately and at any time, to close-out all your foreign currency transactions by converting them to the base currency, and may, in their respective discretion, at any time or from time to time, liquidate all or some of your collateral (as set forth in Section ) in the possession or control of IBUK, IBLLC or their Affiliates on any commercially reasonable basis and apply the proceeds of such collateral to any amounts you owe to IBUK or IBLLC resulting from the close-out of such foreign currency transactions.

**D1.3.4** Notwithstanding anything to the contrary set forth above regarding the rights of IBUK, IBLLC or their Affiliates to close-out foreign currency transactions, if an Event of Default as specified in Section A12.1, 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 you of such specified event.

**D1.3.5** The rights of IBUK, IBLLC and their Affiliates under this Section D1.3 shall be in addition to, and not in limitation or exclusion of any other rights that IBUK, IBLLC or their Affiliates may have (whether by agreement, operation of law or otherwise).

**D1.3.6** Nothing herein constitutes a commitment of IBUK, IBLLC, or their Affiliates to offer Forex transactions generally or to enter into any specific Forex transaction. IBUK, IBLLC, and their Affiliates reserves the right to refuse any Forex order or to decline to quote a two-sided market in any currency.

**I understand and acknowledge that I have read this Agreement and agree with its terms and conditions.**

**By accepting this Agreement, I acknowledge that it also contains a pre-dispute Arbitration Agreement at Appendix 5 and that I have read, understood and accepted the terms of the Arbitration Agreement.**

## Appendix 1 - Key Definitions

**Account Application Materials:** your IBUK Account application together with any other information or documents required to open and operate your IBUK Account;

**Advice:** personal recommendations, investment, tax or trading advice;

**Affiliate:** each entity within the IBKR Group;

**Applicable Law:** all applicable laws and regulations including, without limitation, the constitutions, articles, by-laws, rules, regulations, policies, procedures and interpretations (collectively, "**Rules**") of: (i) the exchanges, markets and clearing houses to which orders are routed or transactions are executed or cleared; (ii) the Financial Conduct Authority; and (iii) any other regulatory, self-regulatory or governmental authority to which we are subject;

**CFD:** Contract for difference;

**CFTC Rules:** rules of the Commodity Futures Trading Commission;

**CFTC:** Commodity Futures Trading Commission;

**Covered Contracts:** certain physically delivered futures contracts as listed in Appendix 4;

**Credentials:** as defined in B3.1.1;

**ETF:** Exchange Traded Fund;

**FCA Rules:** the rules of the Financial Conduct Authority;

**FCA:** Financial Conduct Authority;

**FINRA:** Financial Industry Regulatory Authority;

**FSCS:** UK Financial Services Compensation Scheme;

**Governing Documents:** partnership agreement, charter, by-laws, operation agreement or other governing documents;

**IB Software:** all software related to provision of products and services granted by IBUK and its Affiliates to the Client;

**IBKR System:** Collectively, the computer-based automated systems in connection with providing services, including but not limited to: the receipt and handling of orders; the execution and cancellation of orders; order and trade confirmation; the clearing and settlement of transactions; tax-related reporting; the delivery of corporate action information; account management; storing and processing account information; and risk management;

**TWS:** Interactive Brokers Trader Workstation;

**IBUK Website:** [www.ibkr.co.uk](http://www.ibkr.co.uk) ;

**KIDs:** Key Information Documents;

**Losses:** any and all liabilities, losses, costs, judgments, penalties, claims, actions, damages, or expenses;

**Margin Requirements:** Initial margin and maintenance margin in accordance with the margin requirements which have been established by either IBUK, IBLLC or their Affiliates or by the applicable exchanges, clearing houses, or regulators, whichever is greater;

**OTC Transactions:** transactions that are conducted off-exchange;

**Payment Obligation:** maximum payment obligation (assessed based on the mark price) upon delivery on any of the Covered Contracts;

**Rules:** See definition of Applicable Law;

**SEC:** Securities and Exchange Commission;

**Securities Act:** the US Securities Act of 1933;

**SIPC:** Securities Investor Protection Corporation;

**Third-Party Information Providers:** information providers that are independent of IBUK and its Affiliates;

**TWS:** Trader Workstation;

**Written Notice:** Notice to either IBUK and/or IBLLC in writing in accordance with Section A1.7.

## Appendix 2 - Differences in regulatory protections Retail Clients vs Professional Clients

Professional Clients are entitled to a lower degree of protection under the UK regulatory regimes than Retail Clients. This notice contains, for information purposes only, a summary of the protections that a Retail Client might lose if they are to be treated as a Professional Client.

- 1. Description of the nature and risks of packaged investments:** A firm that offers an investment service with another service or product or as a condition of the same agreement with a Retail Client must: (i) inform Retail Clients if the risks resulting from the agreement are likely to be different from the risks associated with the components when taken separately; and (ii) provide Retail Clients with an adequate description of the different components of the agreement and the way in which its interaction modifies the risks. The above requirements do not apply in respect of Professional Clients.
- 2. Retail investor protection measures on the provision of CFDs:** The regulatory measures include: (i) Leverage limits on the opening of a position, which vary according to the volatility of the underlying; (ii) A margin close out rule on a per account basis that standardises the percentage of margin (at 50% of the minimum required margin) at which providers are required to close out one or more open CFDs; (iii) Negative balance protection on a per account basis; (iv) A restriction on the incentives offered to trade CFDs; and (v) A standardised risk warning, including the percentage of losses on a CFD provider's Retail investor accounts. These measures do not apply in respect of Professional Clients.
- 3. Communication with clients, including financial promotions:** A firm must ensure that its communications with all clients are, and remain, fair, clear and not misleading. However, the simplicity and frequency in which a firm may communicate with Professional Clients (about itself, its services and products, and its remuneration) may be different to the way in which the firm communicates with Retail Clients. Regulations relating

to restrictions on, and the required contents of, direct offer financial promotions do not apply to promotions to Professional Clients and such promotions need not contain sufficient information for Professional Clients to make an informed assessment of the investment to which they relate. A firm's obligations in respect of the level of details, medium and timing of the provision of information are different depending on whether the client is a Retail or Professional Client. The requirements to deliver certain product-specific documents, such as KIDs for PRIIPs, are not applied to Professional Clients.

- 4. Depreciation in value reporting to clients:** A firm that holds a Retail Client account that includes positions in leveraged financial instruments or contingent liability transactions must inform the Retail Client, where the initial value of each instrument depreciates by 10 per cent and thereafter at multiples of 10 per cent. The above reporting requirements do not apply in respect of Professional Clients (i.e., these reports do not have to be produced for Professional Clients).
- 5. Appropriateness:** For transactions where a firm does not provide the client with investment advice or discretionary management services (such as an execution-only trade), it may be required to assess whether the transaction is appropriate. When assessing appropriateness for non-advised services, a firm may be required to determine whether the client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or service offered or demanded. Where such an appropriateness assessment requirement applies in respect of a Retail Client, there is a specified test for ascertaining whether the client has the requisite investment knowledge and experience to understand the risks associated with the relevant transaction. However, in respect of a Professional Client the firm is entitled to assume that a Professional Client has the necessary level of experience,



knowledge and expertise in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the client is classified as a Professional Client. IBUK provides non-advised services and is not required to request information or adhere to the assessment procedures for a Professional Client when assessing the appropriateness of a given service or product as with a Retail Client, and IBUK may not be required to give warnings to the Professional Client if it cannot determine appropriateness with respect to a given service or product.

- 6. Information about costs and associated charges:** A firm must provide clients with information on costs and associated charges for its services and/or products. The information provided may not be as comprehensive for Professional Clients as it must be for Retail Clients.
- 7. Dealing:** When undertaking transactions for Retail Clients, the total consideration, representing the price of the financial instrument and the costs relating to execution, should be the overriding factor in any execution. For Professional Clients a range of factors may be considered in order to achieve best execution – price is an important factor, but the relative importance of other different factors, such as speed, costs and fees may vary.
- 8. Difficulty in carrying out orders:** In relation to order execution, firms must inform Retail Clients about any material difficulty relevant to the proper carrying out of orders promptly on becoming aware of the difficulty. This is not required in respect of Professional Clients. The timeframe for providing confirmation that an order has been carried out is more rigorous for Retail Clients' orders than Professional Clients' orders.
- 9. Share trading obligation:** In respect of shares admitted to trading on a regulated market or traded on a trading venue, the firm may, in relation to the investments of Retail Clients, only arrange for such trades to be carried out on a regulated market, a multilateral trading facility, a systematic internaliser

or a third-country trading venue. This is a restriction which may not apply in respect of trading carried out for Professional Clients (i.e., this restriction can be disappplied where trades in such shares are carried out for Professional Clients in certain circumstances).

- 10. Exclusion of liability:** Firms' ability to exclude or restrict any duty or liability owed to clients is narrower under the FCA Rules in the case of Retail Clients than in respect of Professional Clients.
- 11. The Financial Services Ombudsman:** The services of the Financial Ombudsman Service in the UK may not be available to Professional Clients, unless they are, for example, consumers, small businesses or individuals acting outside of their trade, business, craft or profession.
- 12. Compensation:** IBUK is a member of the UK Financial Services Compensation Scheme. You may be entitled to claim compensation from that scheme if IBUK cannot meet its obligations to you. This will depend on the type of business and the circumstances of the claim; compensation is only available for certain types of claimants and claims in respect of certain types of business. Eligibility for compensation from the Financial Services Compensation Scheme is not contingent on your categorisation but on how the firm is constituted. Eligibility for compensation from the scheme is determined under the rules applicable to the scheme (more information is available at <https://www.fscs.org.uk/>).
- 13. Transfer of financial collateral arrangements:** As a Professional Client, the firm may conclude title transfer financial collateral arrangements with you for the purpose of securing or covering your present or future, actual or contingent or prospective obligations, which would not be possible for Retail Clients.
- 14. Client money:** The requirements under the client money rules in the FCA Handbook (CASS) are more prescriptive and provide more protection in respect of Retail Clients than in respect of Professional Clients.



## Appendix 3 - Risk warnings and information on financial instruments

This Appendix 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 Appendix cannot disclose all the risks and other significant aspects of those instruments, services or markets.

**We would like to emphasise that where you classify as a Retail Client, you should pay particular attention to this Appendix as your level of experience, knowledge and expertise will be lower than that of a Professional Client or eligible counterparty. You should therefore read and ensure you understand the risks outlined below.**

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.

### 1. General Risks

- (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 IBUK 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;

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.

## **2. Market Risks**

### **a) Interest rate risk**

Interest rate sensitivity means that prices change relative to current and future interests 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.

### **b) 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.

### **c) 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.

### **d) 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 geopolitical events may result in a more extreme variation in prices of emerging

market instruments compared to developed markets.

### **e) Risks of Foreign Markets; After Hours Trading**

Trading securities, options, derivatives, futures, currencies or any product on a foreign market is speculative and involves high risk. Trading outside ordinary market hours poses special risks, including risk of lower liquidity, higher volatility, changing prices, unlinked markets, news announcements affecting prices, and wider spreads. You represent that you are knowledgeable of, and able to assume, these risks.

## **3. 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.

## **4. 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.

#### **a) 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.

#### **b) 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.

#### **c) Financial Instruments and investments**

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

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

#### **a) 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.

#### **b) 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.

## 6. 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").

## 7. 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.

## 8. 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 return 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.

## 9. 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.

## 10. Mutual Funds

A mutual fund (i.e., an investment 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.

## **11. Exchange Traded Funds 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*".

## **12. 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 decide to invest in a structured product you should review the "*Risk Disclosure Statement for Trading Structured Products (including warrants) with Interactive Brokers*".

## **13. Derivatives, including futures, options and contracts for differences**

### **a) Derivatives**

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.

### **b) 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.

### **c) 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.

#### **d) Contracts for difference**

Futures and options contracts can also be referred to as CFDs. 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 CFD carries the same risks as investing in a future or an option. Transactions in CFDs may also have a contingent liability.

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

#### **a) Off-exchange transactions**

Transactions that are conducted off-exchange 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.

#### **b) 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.

#### **c) 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.

#### **d) Foreign markets**

Foreign markets will involve different risks from the UK 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.

#### **e) 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.

#### **f) 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.

#### **g) 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.

#### **h) 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:

- (i) borrowing money;
- (ii) 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;
- (iii) 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
- (iv) 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:

- movements in the price of the investment being more volatile than the movements in the price of underlying rights or assets;
- the investment being subject to sudden and large falls in value; and
- you are getting back nothing at all if there is a sufficiently large fall in value in the investment.

#### **i) 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.

#### **j) 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 Client, 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 recognised or designated investment exchange.

#### **k) Special risks of algorithmic orders**

The IBKR Group makes available various order types that use computerised algorithms. These order types allow you to input various conditions as part of an order placed with us. You agree that if algorithmic order types are used, it is your responsibility to understand how the order type works, including through review of the information on the relevant IBKR Group website describing particular order types. Algorithmic trading involves special risks, including, among others, the risk of software or design flaws, technical errors, adverse market impacts from algorithmic orders and rapid losses. You understand and agree to accept these risks when using algorithmic orders and you waive

any right to make claims against the IBKR Group in connection with such orders.

### **15. Non-Readily Realisable Investments**

You understand that there is a restricted market for designated investments that are not readily

realisable investments and that, therefore, it may be difficult to deal in such designated investments or to obtain reliable information about their value. If you choose to trade designated investments that are not readily realisable investments, you will do so at your own risk.

## Appendix 4 - Physically deliverable futures

This Appendix sets forth the terms under which you may be permitted to make or take delivery of certain physically-delivered futures contracts, as listed below, that are traded on certain designated contract markets (such markets collectively, the "**Exchanges**").

### 1 Terms

#### 1.1 List of Covered Contracts

- i. GC @ COMEX (COMEX Gold Futures)
- ii. MGC @ COMEX (COMEX Micro Gold Futures)
- iii. SI @ COMEX (COMEX Silver Futures)
- iv. SIL @ COMEX (COMEX Micro Silver Futures)

1.2 IBUK and IBLLC may permit you to make or take delivery on Covered Contracts at IBUK and IBLLC's sole discretion, in reliance on your acknowledgements contained herein, and subject to the following conditions:

- (i) You acknowledge that all deliveries of Covered Contracts are governed by, and will be made in accordance with, (i) the Contract Specifications for the relevant Covered Contract as specified by the relevant Exchange and (ii) the Rules and delivery procedures of the relevant Exchange governing such Covered Contract.
- (ii) You will not be permitted to carry long positions in Covered Contracts into the delivery month of such contracts unless you have more than sufficient account equity to satisfy the maximum payment obligation (assessed based on the mark price) upon delivery on any such contracts (the "**Payment Obligation**").
- (iii) In accordance with Paragraph 2 above, you acknowledge that the required maintenance margin on long Covered Contracts that are within the delivery month will at all times be not less than the Payment Obligation on such contracts, and that your long position in such contracts is subject to immediate liquidation if at any time your IBUK Account does not have sufficient equity to meet your total maintenance margin obligation.
- (iv) You acknowledge that after taking delivery of the underlying commodity (the "**Delivered Commodity**") in connection with a long position in a Covered Contract, the value of the Delivered Commodity will continue to vary with the price of such commodity, and that you will accordingly continue to be exposed to fluctuations in the value of such commodity.

1.3 You acknowledge that:

- (i) there may be no ready market for the Delivered Commodity;
- (ii) BUK and IBLLC may assign collateral value to the Delivered Commodity in our sole discretion or not at all; and
- (iii) you may not be able to liquidate the Delivered Commodity (apart from opening a short position in the relevant Covered Contract and carrying such position into the delivery month) even if you wish to do so.

## Appendix 5 - Arbitration Agreement

By signing an arbitration agreement, the parties agree as follows:

- a. All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- b. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- c. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- d. The arbitrators do not have to explain the reason(s) for their award.
- e. The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- f. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration.
- g. In some cases, a claim that is ineligible for arbitration may be brought in court.
- h. The rules of the arbitration forum in which the claim is filed, and any amendments thereto shall be incorporated into this Agreement.

### 1 Disputes with IBUK

1.1 Any controversy or claim between IBUK or any of its respective directors, officers, shareholders, employees, associates or agents, on the one hand, and you or, if applicable, your directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other Agreement between you and IBUK, any transaction under such agreements, or any of your IBUK Accounts, shall be settled by arbitration, in accordance with the rules then prevailing of any one of the following arbitration schemes, to the extent that the claim or controversy properly falls within the scope of the arbitration scheme:

- (i) If the dispute involves a transaction in a security, option to purchase or sell a security, or an option on a securities index that is traded on a U.S. exchange, the arbitration schemes of: (a) the American Arbitration Association; (b) JAMS; (c) if the dispute involves IBLLC, any exchange of which IBLLC is a member, or (d) FINRA;
- (ii) If the dispute involves a transaction in a futures contract or an option on a futures contract that is traded on a U.S. exchange, any one of three or more "qualified forums" provided by IBUK. A "qualified forum" is an organisation whose procedures for conducting arbitration comply with the requirements of CFTC Rules;
- (iii) In any other type of dispute, the arbitration schemes of: (a) the London Court of International Arbitration; (b) the International Centre for Dispute Resolution; (c) any exchange of which IBUK is a member; or (d) a securities or futures association, as applicable; or
- (iv) In certain cases, the UK Financial Ombudsman Service or any other arbitration forum that IBUK may suggest.

### 2 Disputes with IBLLC

2.1 Any controversy or claim between IBLLC or its directors, officers, shareholders, employees, associates or agents, on the one hand, and you or, if applicable, your directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other agreement between you and IBLLC, any transaction under such agreements or any of your IBUK Accounts shall be settled as follows:

- (i) **Securities/Equity Options Accounts:** If the controversy, dispute, claim or grievance involves your securities/equity options IBUK Account:
  - a. You agree that any controversy, dispute, claim or grievance between IBLLC, any IBLLC Affiliate (other than IBUK) or any of their shareholders, officers, directors, employees, associates, agents on the one hand, and you or, if applicable, your shareholders, directors, officers, employees, associates or agents, on the other hand, arising out of,

or relating to, this Agreement or any IBUK Accounts in which securities may be traded, any transaction therein, or transactions between IBLLC and you; any provision of this Agreement or any other agreement between IBLLC and you; or any breach of such transactions or agreements, shall be resolved by arbitration, in accordance with the rules then prevailing of any one of the following: JAMS (pursuant to JAMS's Comprehensive Arbitration Rules and Procedures), the Financial Industry Regulatory Authority, or the arbitration forum of any exchange of which IBLLC is a member, as the true claimant-in-interest may elect.

- b. If you are the claimant-in-interest and you have not selected an arbitration forum within ten days of providing notice of your intent to arbitrate, IBLLC shall select the forum.
- c. The award of the arbitrators, or a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.
- d. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class, and who has not opted out of the class with respect to any claims encompassed by the putative class action until:
  - A. the class certification is denied;
  - B. the class is decertified; or
  - C. you are excluded from the class by the court.
- e. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

(ii) **Futures Accounts:** If the dispute, controversy, claim or grievance involves a futures/options on futures IBUK Account, you agree to the following:

- a. Except as provided below, you agree that any dispute, controversy, claim or grievance between IBLLC or any of its directors, officers, shareholders, employees, associates, agents or Affiliates (other than IBUK) on the one hand, and you or, if applicable, your directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other agreement between you and IBLLC or IBLLC's Affiliates (except IBUK), any transaction thereunder, or any of your IBUK Accounts shall be settled by arbitration, in accordance with the rules then prevailing of a forum chosen in accordance with the procedure set out below.
- b. If, by reason of Applicable Law or otherwise, your advance agreement to submit a controversy or claim to arbitration would not be enforceable by IBLLC or its Affiliate, as the case may be, this provision shall not permit you to enforce the advance agreement of IBLLC or its Affiliate to submit to arbitration.
- c. Any award rendered in any arbitration conducted pursuant to this arbitration agreement shall be final, binding, and enforceable and judgment may be entered on any such award by any court having jurisdiction thereof.
- d. At such time as you notify IBLLC or IBLLC's Affiliate that you intend to submit a controversy to arbitration, or at such times as IBLLC or IBLLC's Affiliate notifies you that IBLLC or its Affiliate intends to submit a controversy to arbitration, you will have the opportunity to choose a forum from a list of three or more qualified forums provided by IBLLC or the Affiliate. A "qualified forum" is an organisation whose procedures for conducting arbitrations comply with the requirements of the CFTC Rules.
- e. As required by CFTC Rules, IBLLC shall pay any incremental fees which may be assessed by a qualified forum for provision of a mixed arbitration panel, unless the arbitrators hearing the controversy determine that you have acted in bad faith in initiating or conducting the arbitration. A "mixed arbitration panel" is an arbitration panel composed of one or more persons, a majority of whom are not members or associated with a member of a contract market or employee thereof, and who are not otherwise associated with a contract market.

2.2 In connection with this arbitration agreement, IBLLC is required to furnish to you the following statement, pursuant to CFTC Rules:

**Three forums exist for the resolution of commodity disputes: civil court litigation, reparations at the CFTC, and arbitration conducted by a self-regulatory or other private organisation. The CFTC recognises that the opportunity to settle disputes by arbitration may in some cases provide many benefits to clients, including the ability to obtain an expeditious and final resolution of disputes without incurring substantial costs. The CFTC requires, however, that each client individually examine the relative merits of arbitration and that your consent to this arbitration agreement be voluntary.**

**By signing this Agreement, you: (1) may be waiving your right to sue in a court of law; and (2) are agreeing to be bound by arbitration of any claims or counterclaims which you or IBLLC may submit to arbitration under this Agreement. You are not, however, waiving your right to elect instead to petition the CFTC to institute reparations proceedings under section 14 of the commodity exchange act with respect to any dispute which may be arbitrated pursuant to this Agreement. In the event a dispute arises, you will be notified if IBLLC intends to submit the dispute to arbitration. If you believe a violation of the commodity exchange act is involved and if you prefer to request a section 14 "reparations" proceeding before the CFTC, you will have 45 days from the date of such notice in which to make that election.**