



Interactive Brokers

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Notice and Acknowledgement of Clearing Arrangement

1. This Notice applies to Customers who have been introduced to **Interactive Brokers** ("Interactive") by an "**Introducing Broker**". Interactive Brokers and Introducing Broker are parties to a Fully Disclosed Clearing Agreement pursuant to which Interactive performs certain services with respect to your account and other accounts introduced to Interactive by the Introducing Broker.
2. The terms and conditions of the Interactive Brokers Customer Agreement and the Interactive Brokers Margin Agreement apply to your account and are incorporated herein by reference. **TO THE EXTENT THAT THIS NOTICE DIFFERS FROM OR SUPERCEDES SPECIFIC PROVISIONS OF THE INTERACTIVE BROKERS CUSTOMER AGREEMENT OR MARGIN AGREEMENT, THIS NOTICE CONTROLS AND IS BINDING ON YOUR ACCOUNT.**
3. **Responsibilities of Interactive Brokers:**
Interactive will be responsible for the following services regarding Customer accounts:
 1. Obtaining and verifying account information and documentation and opening and closing Customer accounts.
 2. Receiving, segregating, safeguarding and delivering Customer funds, securities, and other property.
 3. Extending credit to Customer accounts, collecting margin from the accounts, and determining and enforcing credit or margin limits applicable to the accounts.
 4. Receiving orders from you or from your Introducing Broker for your account and executing such orders and clearing executed transactions.
 5. Providing confirmations and statements to Customers.
 6. Accepting instructions regarding voluntary corporate actions (e.g., tender or exchange offers) and accepting instructions with respect to options and securities rights.
4. **Responsibilities of Introducing Broker:**
Introducing Broker will be responsible for the following services regarding Customer accounts:
 1. Introducing Customer accounts to Interactive Brokers and providing Customers with instructions on how to apply for Interactive Brokers accounts.
 2. Providing all customer service and technical support and responding to Customer complaints, inquiries and requests.
 3. Accepting Customer orders and transmitting them to Interactive for execution (you may also submit orders directly to Interactive through Interactive's order entry software).
 4. Providing notice to Customers of commission rates and fees.
5. **Commissions and Fees:**
Introducing Broker is responsible for notifying Customers of all commissions and fees applicable to Customer accounts. Interactive will deduct applicable commissions and fees from Customer accounts. Commission and fee payments owed by Customers may be shared and allocated between Introducing Broker and Interactive as Introducing Broker and Interactive agree from time to time.
6. **Customer Service:**
Introducing Broker is solely responsible for providing all customer service and technical support for your account and for responding to your questions or inquiries concerning your account, your orders

and your trading. You should not contact IB customer support directly, and instead you must contact the Introducing Broker. All disputes and issues concerning Interactive's performance of its responsibilities for Customer accounts (such as trading issues, execution questions, margin and credit issues, etc.) will be forwarded to Interactive by the Introducing Broker and Interactive will communicate the resolution to the Introducing Broker (or in exceptional cases, the Customer).

INTRODUCING BROKER SHALL HAVE NO AUTHORITY TO BIND INTERACTIVE OR TO ENTER INTO ANY AGREEMENT, UNDERSTANDING OR COMMITMENT GIVING RISE TO ANY LIABILITY OR OBLIGATION OF INTERACTIVE.

7. **Orders:**

Interactive Brokers is authorized to accept orders from you or from your Introducing Broker for your account. Interactive will not contact you to verify or confirm, prior to execution, orders entered for your account by your Introducing Broker. **ALL DISPUTES REGARDING ORDERS ENTERED BY YOUR INTRODUCING BROKER ARE BETWEEN YOU AND THE INTRODUCING BROKER. ERRORS IN COMMUNICATIONS OR TRANSMISSIONS OF ORDERS FROM YOUR INTRODUCING BROKER TO INTERACTIVE ARE THE SOLE RESPONSIBILITY OF YOUR INTRODUCING BROKER.**

8. **Account Instructions**

Interactive Brokers is authorized to accept account instructions from you or from your Introducing Broker for your account, including but not limited to instructions to:

1. View, Update or Change Account Information, Account Settings, Passwords or Security/Account access information, Trading Permissions and Tax Forms
2. Impose restrictions, limits and/or impose security measures on your account, including freezing, limiting or restricting access to your account or funds
3. Initiate Payments, Wires and Transfers to you
4. Send Third Party Payments, Wires and Transfers
5. Vote Shares and Make Elections Regarding Positions
6. Participate in Special Programs and Alternative Investments

Interactive will not contact you to verify or confirm instructions submitted for your account by your Introducing Broker. **ALL DISPUTES REGARDING INSTRUCTIONS SUBMITTED BY YOUR INTRODUCING BROKER ARE BETWEEN YOU AND THE INTRODUCING BROKER.**

9. **Account Information:**

Introducing Broker is responsible for providing all customer and technical support regarding your account and is therefore authorized to view all information regarding your account. **INTRODUCING BROKER'S MISUSE OR DISCLOSURE OF INFORMATION REGARDING YOUR ACCOUNT IS SOLELY THE RESPONSIBILITY OF INTRODUCING BROKER AND INTERACTIVE SHALL BEAR NO LIABILITY FOR ANY CLAIMS ARISING FROM INTRODUCING BROKER'S ACCESS TO YOUR ACCOUNT INFORMATION.**

10. **No Investment or Tax Advice:**

You acknowledge that neither Interactive nor its employees or representatives provide any investment, tax or trading advice; nor do they solicit orders. You further acknowledge that neither Interactive nor its employees or representatives advise you or your Introducing Broker on any matters pertaining to the suitability of any order; offer any opinion, judgment or other type of information pertaining to the nature, value, potential or suitability of any particular investment; or review the appropriateness of investment advice or transactions entered by you or by Introducing Broker on your behalf.

11. Interactive does not control, audit or supervise the activities of Introducing Broker or its registered representatives. Neither Introducing Broker nor any of its officers, directors, employees or representatives are employees or agents of Interactive, nor shall they hold themselves out as such.

Notice of Execution and Clearing Agreement

1. This Notice applies only to persons who are parties to the Customer Agreement Among Customer, Interactive Brokers (U.K.) Limited and Interactive Brokers LLC ("IB UK Customer Agreement") and/or persons who have opened an account ("IB UK Account") with Interactive Brokers (U.K.) Limited ("IB UK Customers").
2. Interactive Brokers (U.K.) Limited ("IB UK") has been authorised by the Financial Conduct Authority ("FCA") to conduct investment business in the U.K. and Europe and is regulated in the U.K. by the FCA. The FCA has its address at FCA Head Office, 12 Endeavour Square, London E20 1JN, United Kingdom.
3. Interactive Brokers LLC ("IB LLC") is a U.S.-located affiliate of IB UK. IB LLC 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.
4. IB UK and IB LLC are parties to an Execution and Clearing Agreement pursuant to which IB LLC performs certain services with respect to IB UK Customers, IB UK Accounts and IB UK Transactions ("Execution and Clearing Agreement"). The Execution and Clearing Agreement permits IB LLC to satisfy its obligations thereunder by using the services of other affiliates of IB UK ("IB UK Affiliates") or unaffiliated third parties. By executing an IB UK Customer Agreement, an IB UK Customer enters into a contractual relationship with IB UK and, for the limited purposes stated therein, with IB LLC. The relationships between IB UK Customers and IB UK and between IB UK Customers and IB LLC are not altered by the Execution and Clearing Agreement.
5. This Notice is intended to be a general disclosure of the relationship between IB UK and IB LLC, not a definitive enumeration of each and every service that may be performed by IB LLC with respect to IB UK Customers, IB UK Accounts and/or IB UK Transactions. Such services may include the performance of any or all of IB UK's responsibilities under the terms and conditions of the IB UK Customer Agreement, although nothing in this Notice obligates IB LLC or other IB UK Affiliates to perform such services. The relationship between IB UK and IB LLC or other IB UK Affiliates may change from time to time.
6. IB UK generally shall be responsible for the following:
 1. Obtaining and verifying new IB UK Customer and IB UK Account information and documentation and opening and closing IB UK Accounts.
 2. Facilitating IB UK Customers' access to IB LLC through the Interactive Brokers System with a view to IB LLC receiving and accepting orders (and modification and cancellations in relation to the same) from IB UK Customers for the specified securities, options, futures, currencies and other investment products that may be available from time to time for IB UK Customer trading and arranging for the execution and/or clearance of such orders. IB LLC is responsible for the receipt of orders by IB UK Customers.
 3. Accepting instructions regarding voluntary corporate actions (e.g., tender or exchange offers) from IB UK Customers and transmitting them to IB LLC for processing. Neither IB UK nor IB LLC shall be responsible for providing IB UK Customers with notice of voluntary corporate actions.
 4. Determining the commissions and other fees charged to IB UK Customers. Commission and fee payments owed by IB UK Customers may be shared and allocated between IB UK and IB LLC as IB UK and IB LLC agree from time to time.
7. IB LLC generally shall be responsible for the following:
 1. Receiving and accepting IB UK Customer orders (and modifications and cancellations thereof) and transmitting them for execution on various exchanges through IB LLC, IB UK, another Interactive Brokers Group affiliate or a third party intermediate broker. Pursuant to the IB UK Customer Agreement, IB UK and IB LLC reserve the right to reject any IB UK Customer order that may be transmitted to either of them for execution and/or clearing.
 2. In the case of any IB UK Account for which IB UK has agreed to provide clearing services for the Customer, acting as a self-clearing broker for the Customer's orders or arranging for the clearing and settlement of the Customer's executed transactions by IB UK, IB LLC, another IB UK Affiliate or a third party. IB UK Customers that hold IB UK accounts for which IB UK acts only as an executing broker are required to be either a self-clearing exchange member or a client of an exchange clearing member. The exchange-executed trades of such IB UK Customers are taken up for clearing and settlement by the IB UK Customers' respective clearing brokers.
 3. Performing certain cashiering, client money and custody services for IB UK Customers, IB UK Accounts and IB UK Transactions. Such services include, without limitation: (1) accepting and holding all money submitted to fund IB UK Accounts (including, without limitation, funds submitted for the purpose of satisfying IB UK'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 payment therefor; (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 organization acceptable to IB UK);

- (4) paying and charging interest on IB UK Accounts; (5) receiving and distributing dividends and other distributions; (6) processing securities as a result of corporate actions; (7) transferring funds to Customers; and (8) as set forth in the IB UK Customer Agreement, effectuating the liquidation of IB UK Customer positions or assets.
4. Extending credit to IB UK Customers, including complying with the Margin Requirements of IB UK and any relevant regulatory, self-regulatory or governmental body; and effecting stock loan and borrowing transactions in accordance with applicable law.
 5. Performing certain collection services with respect to IB UK Accounts, including the collection of all commissions and fees and other monies or assets due from IB UK Customers under the terms of the IB UK Customer Agreement.
 6. Performing certain back-office and record keeping and reporting functions with respect to IB UK Accounts, including the preparation of confirmations (contract notes) and account statements for IB UK Transactions, distributing such confirmations and account statements directly to IB UK Customers, maintaining books and records of all IB UK Transactions, and reporting such information as may be required by relevant regulatory or self-regulatory organizations or applicable law.
 7. Performing technical services related to the IB Trader Workstation, the IB System, or certain computer hardware or software related thereto.
8. IB UK requires IB UK Customers to remit all funds related to their IB UK Transactions or to their IB UK Accounts, or otherwise tendered pursuant to the IB UK Customer Agreement, either: (a) directly to IB LLC or (b) to a designated financial institution with which IB LLC maintains a customer account. Funds maintained by IB LLC are maintained in customer accounts that are held in the name of IB LLC and are located outside of the U.K.
 9. IB UK and IB LLC share responsibility for the provision of certain portions of the IB UK website and for the provision of customer service facilities. IB UK has ultimate responsibility for responding to customer complaints regarding any IB UK Transaction or any IB UK Account, but IB LLC is authorized to accept, process and respond to such complaints.
 10. IB UK and IB LLC are authorized to disclose information or documentation relating to IB UK Customers or IB UK Accounts and IB UK Transactions to each other and to their respective affiliates. IB UK, IB LLC and their affiliates are authorized to use, store, or process personal information provided by IB UK customers (or their employees, agents or representatives) or otherwise acquired from them as set forth in the IB UK Customer Agreement.
 11. IB LLC does not control, audit or supervise the activities of IB UK or its registered representatives, nor does it verify any information provided by IB UK regarding any IB UK Customers or Accounts.

Interactive Brokers (UK) Limited Customer Agreement

1. Application of this Agreement:

1. **Scope of this Agreement:** This Agreement ("Agreement") governs the relationship between Customer and Interactive Brokers (UK) Limited ("IB UK") and between Customer and Interactive Brokers LLC ("IB LLC") including, without limitation, the terms and conditions of the performance of the services set forth in Section 1.B of this Agreement and matters relating to Customer's IB UK account.
2. **Services Provided:**
 1. IB UK shall provide the following services to Customer: (a) Through the Interactive Brokers System ("IB System"), IB UK shall facilitate Customer's access to IB LLC with a view to IB LLC receiving and accepting orders from Customer for the specified securities, options, futures, and other investment products that may be available from time to time to the type of customer account for which Customer has been approved. IB LLC is responsible for the receipt of orders by Customer. (b) Through its execution and clearing agreement with IB LLC ("Execution and Clearing Agreement"), IB UK shall provide for the execution and clearing of such transactions ("Transactions"). Pursuant to the Execution and Clearing Agreement, Transactions may be executed and/or cleared by IB UK, IB LLC, another affiliate of IB UK, or a non-affiliated third party.
 2. As set forth in Section 10 of this Agreement, IB LLC shall provide client money and custody services for Customers and, with respect to the provision of such services only, Customer shall be a customer of IB LLC, and not of IB UK. With respect to the provision of all other services under this Agreement, Customer shall be a customer of IB UK. IB LLC is located in the United States.
3. **No Advice, Solicitation, or Discretion:** Representatives of IB UK and IB LLC are not authorized to, and shall not be under any obligation to provide, any investment, tax, trading or other advice or recommendations or to solicit orders. None of the information, research, or other materials provided by IB UK, provided by any of IB UK's affiliates (IB UK affiliates, including IB LLC, shall be collectively referred to as "Affiliates") or on the IB UK website constitutes advice, a recommendation or a solicitation to buy or sell securities, options, futures or other investment products. Neither IB UK nor any of its Affiliates have any discretionary authority with respect to any Transactions entered into by Customer, except for the discretion to select the marketplace to which

to route a Customer order described in Section 3.B.(2) of this Agreement and Customer retains full responsibility for making all trading decisions with respect to Customer's account.

4. **Treatment of Customer:** Unless Customer has been specifically notified in writing to the contrary, IB UK shall treat Customer as a retail client for the purposes of the rules of the Financial Conduct Authority ("FCA Rules"). Customer has the right to request a different client categorization, although IB UK is not bound to agree to such request. However, if IB UK agrees and Customer is recategorized, Customer would lose the protection afforded by certain FCA Rules.
5. **Amendments to this Agreement:** No provision of this Agreement can be amended or waived by Customer, in any respect, except in a writing by an officer of IB UK that has been confirmed by IB UK's secretary (or, in the case of Section 10 of this Agreement, in a writing by an officer of IB LLC that has been confirmed in writing by IB LLC's Secretary) and, in entering into this Agreement, Customer has not relied on, or been otherwise induced by, any matter not contained in such writing. IB Customer Service Department employees are not authorized to amend or to waive the terms of this Agreement in any respect. Customer understands and agrees that IB UK or IB LLC may modify or change the terms and conditions of this Customer Agreement (in each instance, a "Revised Agreement") by providing Customer with notice of a Revised Agreement via e-mail. The terms and conditions of any Revised Agreement shall be deemed to be accepted by Customer and the Revised Agreement shall become effective five (5) business days after the date of the e-mail notice to the Customer ("5 Day Period") unless, within the 5 Day Period, Customer has sent a written notice of objection via an e-mail to the IB Customer Service Department at help@interactivebrokers.com and IB UK has received such objection. If Customer objects to any term or condition of any Revised Agreement, Customer must promptly cease using the services of IB UK and IB LLC, except as necessary to close Customer's account. Customer's continued use of the services of either IB UK or IB LLC after the 5 Day Period also shall constitute acceptance of the terms and conditions of the Revised Agreement.

2. **Applicable Regulations:**

1. This Agreement and any orders or Transactions placed or executed under it are subject to all applicable laws and regulations including, without limitation, the constitutions, articles, by-laws, rules, regulations, policies, procedures and interpretations (collectively, "Rules") of the exchanges, markets and clearing houses to which orders are routed or Transactions are executed or cleared; of the Financial Conduct Authority ("FCA"); and any other applicable Rules of a regulatory, self-regulatory or governmental authority ("Applicable Regulations"). **IN NO EVENT SHALL IB UK OR ANY OF ITS AFFILIATES BE LIABLE TO CUSTOMER FOR ANY ACTION, INACTION, DECISION OR RULING OF ANY EXCHANGE, MARKET, CLEARING HOUSE OR REGULATORY OR SELF-REGULATORY AUTHORITY.**
2. IB UK or its Affiliates may take or omit any action they consider reasonable to comply with Applicable Regulations. Customer specifically acknowledges that exchange Rules may afford the exchange wide powers in various situations, including, but not limited to, in an emergency, in an otherwise undesirable situation, or in the event of a default (not necessarily on the part of IB UK, IB LLC, their Affiliates, or Customer), to close-out a transaction, to require the exercise of set-off rights or to take such other steps or combination of steps as the exchange thinks fit. Customer agrees 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 IB UK or its Affiliates may take any action which IB UK or its Affiliate, in its absolute discretion, considers desirable to respond to such action or to mitigate any loss incurred as a result of such action. Any such action taken by IB UK or its Affiliates will be binding on Customer. In no event shall IB UK or its Affiliates be liable to Customer for any action, inaction, decision or ruling of any exchange, market, clearing house or regulatory, self-regulatory, governmental or supra national authority.

3. **Customer Orders:**

1. **Responsibility for Customer Orders and Customer Trades:** IB UK and its Affiliates shall be entitled to act for Customer upon any instructions given or purported to be given by Customer. Once given, instructions may only be withdrawn by Customer with consent. Customer understands that neither IB UK nor any of its Affiliates is able to know whether someone other than Customer has entered, or is entering, orders using Customer's user name and password. Unless specified to and agreed to by IB UK, Customer shall not permit any other person to have access to Customer's account for any purpose. Customer shall be responsible for the confidentiality and use of, and any Customer orders entered with, Customer's user name and password. Customer agrees to report any loss or theft of Customer's user name or password, or any unauthorized access to Customer's account, immediately by e-mail to the IB Customer Service Department at help@interactivebrokers.com. However, Customer shall remain responsible for all orders entered using Customer's user name and password.
2. **Order Routing:**
 1. Unless otherwise directed by Customer, IB UK and its Affiliates have the discretion to select the marketplace to which to route any Customer order. To the extent that IB UK or any of its Affiliates provide execution services for Customer, it shall provide best execution in accordance with Applicable Regulations.
 2. For investment products that are traded at multiple market centers, IB UK may provide an

order-by-order best execution order-routing option whereby the IB System attempts to seek the best available terms for a Customer's order using a proprietary, computerized routing algorithm ("Smart Routing"). Customer is advised to choose Smart Routing when trading products for which Smart Routing is available. If Customer elects to direct orders to a particular market center, Customer assumes responsibility for examining and directing Customer's trading in accordance with the relevant Rules of the market center 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.). Customer acknowledges that, if Customer elects to direct orders to a particular market center, Customer does so at Customer's risk, including the risk that such orders may be executed on less advantageous terms.

3. IB UK and its Affiliates cannot and do not warrant or guarantee that every Customer order will be executed at the best posted price. Among other things: (a) neither IB UK nor its Affiliates may have access to every market at which a particular product may trade; (b) other orders may trade ahead of Customer's order and exhaust available volume at a posted price; (c) exchanges or market makers may fail to honor their posted prices; (d) exchanges may re-route customer orders out of automated execution systems for manual handling (in which case, execution or representation of Customer's order may be substantially delayed); or (e) exchange Rules or decisions or systems delays or failures may prevent Customer's order from being executed, may cause a delay in the execution of Customer's order, or may cause Customer's order not to be executed at the best posted price.

3. Order Execution:

1. IB UK and its Affiliates shall act as agent on Customer's behalf, unless otherwise confirmed. However, IB UK and its Affiliates are authorized to execute Customer orders as principal. IB UK may utilize another executing broker, including an Affiliate or a non-affiliated third party, to execute Customer orders. Such executing brokers shall have the benefit of all of IB UK's rights and remedies and limitations on liability under this Agreement. IB UK or its Affiliates may decline any Customer order, at any time, in their respective sole discretion.
2. IB UK and its Affiliates may decline any Customer order or terminate this Agreement and/or customer's use of the facilities and services provided by IB UK or its Affiliates for the transmission and execution of Customer orders at any time in their discretion. Customer shall be responsible for monitoring all Customer orders until IB UK confirms execution or cancellation of the order to Customer.

4. **Order Cancellation and Modification:** Customer acknowledges that it may not be possible to cancel or modify an order. Any attempt to cancel or modify an order is simply a request to cancel or modify. Neither IB UK nor its Affiliates shall be liable to Customer if IB UK or its Affiliates are unable to cancel or modify an order. Customer further acknowledges that attempts to modify or cancel and replace an order can result in an over-execution of the order, or the execution of duplicate orders, and Customer shall be responsible for all such executions.

4. Particular Products or Orders:

1. **Volume Weighted Average Price Orders:** IB UK may accept Volume Weighted Average Price ("VWAP") orders for certain securities or futures products. VWAP stock transactions will be executed after the close of trading at the average price for the security during the reference period, as calculated by a third-party pricing service ("Pricing Service"). The average price reported to Customer on the relevant confirmation may not reflect the actual trading level of the security at any point during the trading day, but rather reflects an average price based upon transactions effected during the reference period, as calculated by the Pricing Service. In VWAP transactions, IB UK or IB LLC, as agent or riskless principal, generally will forward the transactions for execution to an IB UK Affiliate which will act as principal in the transaction. Customers entering VWAP orders agree to accept the VWAP price for the reference period as calculated by the Pricing Service. Neither IB UK nor its Affiliates have any control over the methodology used by the Pricing Service to calculate VWAP prices and do not warrant the accuracy of those prices. IB UK and its Affiliates reserve the right NOT to execute a VWAP transaction at the close of trading in the following circumstances: (1) Customer's VWAP order violates exchange Rules or securities or commodities laws, regulations or Rules, or is intended to defraud or manipulate the market; (2) a significant disruption in or premature close of trading in the market on which the security or futures product is traded; (3) acts of God, war (declared or undeclared), terrorism, fire or action by an exchange, regulatory or governmental authority that disrupts trading in the relevant security or the Pricing Service's calculation of the VWAP; or (4) if the Pricing Service's calculation of VWAP prices is clearly erroneous. In such cases, neither IB UK nor its Affiliates shall have any obligation to execute Customer's VWAP order.
2. **Penny Shares:** Customer understands that there is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There is a big difference between the buying price and selling price of these shares. Customer further understands that, if such shares have to be sold immediately, Customer may get back much less than the Customer paid for them. The price may change quickly and it may go down as well as up.

3. **Warrants and Derivatives:** Customer represents that Customer has received, read and understands the "Warrants and Derivatives Risk Warning Notice" set forth as Addendum 1 hereto.
4. **Commodity Options:** Customer acknowledges and agrees that commodity option contracts may not be exercised and must be closed out by offset. Except for cash-settled commodity options, if Customer has not offset commodity options contract positions at least one (1) hour prior to the time specified by an exchange for final settlement, IB UK or its Affiliates are authorized to do so, or to sell any position into which the option position is converted upon expiration, or to otherwise liquidate the resulting positions, and credit or debit Customer's account accordingly. Customer shall pay IB UK or its Affiliates for all costs and expenses related to such liquidations and shall hold IB UK and its Affiliates harmless for any actions taken, or not taken, in connection therewith.
5. **Close-Out Deadline for Futures Contracts Not Settled in Cash:** For futures contracts that are not settled in cash, but are settled by actual physical delivery of the underlying commodity (including those foreign currency contracts that call for actual delivery of the physical currency and are not on the IB Deliverable Currency List). Customer may not make or receive delivery of the underlying commodity. For long positions not settled in cash, Customer agrees to roll forward or to close-out any position by offset three (3) business days prior to the exchange-specified first notice day (the long "Close-Out Deadline"). For short positions not settled in cash, Customer agrees to roll forward or close-out the position by offset three (3) business days prior to the exchange-specified last trade day (the short "Close-Out Deadline"). It is Customer's responsibility to make itself aware of the last trading date for such contracts and the Close-Out Deadline. If Customer has not closed out any position in a futures contract not settled in cash by the Close-Out Deadline, IB UK and its Affiliates shall have the right to liquidate Customer's position in the expiring contract, at any time and in any such manner as IB UK or its Affiliates deem necessary, without prior notice to Customer. If Customer fails to close out a futures position and IB UK or its Affiliates are unable to close out the position prior to the expiration of the contract, then Customer shall be liable for any and all costs of delivery and the liquidation of the resulting physical currency position.
6. **Non-Readily Realisable Investments:** Customer understands 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. Customers who choose to trade designated investments that are not readily realisable investments do so at their own risk.
5. **Short Sales:** Customer acknowledges that: (A) short sales may only be effected in a margin account and are subject to initial and maintenance Margin Requirements; (B) prior to effecting a short sale for Customer, IB UK, IB LLC or their Affiliate, as the case may be, must have reasonable assurance that it will be able to borrow such stock on Customer's behalf to effect delivery of such stock to the purchaser; (C) if IB UK, IB LLC or their Affiliate, as applicable, is unable to borrow stock to enable Customer to effect delivery on a short sale, or if IB UK, IB LLC or their Affiliate, as applicable, is unable to re-borrow stock in order to satisfy a re-call notice from a stock lender, then IB UK, IB LLC or their Affiliate may be subject to a buy-in pursuant to regulatory or clearing house Rules. Customer understands that, if IB UK, IB LLC or their Affiliate, as applicable, is unable to borrow or re-borrow such stock, or if, for any other reason, IB UK, IB LLC or their Affiliates do not wish to carry Customer's short position, then IB UK, IB LLC and their Affiliates, without notice to Customer, are authorized by Customer to cover Customer's short position by purchasing stock on the open market at the then-current market price and Customer shall be liable for any resulting losses and all associated costs incurred by IB UK, IB LLC or their Affiliate.
6. **Corporate Actions:** Except with respect to proxy materials which IB UK or its Affiliate shall transmit to Customer in accordance with Applicable Regulations, Customer acknowledges that Customer is responsible for knowing the rights and terms of any securities, options, futures, currencies and investment products in Customer's account including, but not limited to, corporate actions (e.g., whether a security is the subject of a tender or exchange offer, a reorganization, a stock split or reverse stock split) and that neither IB UK nor its Affiliates has any obligation to notify Customer of dates of meetings or to take any other action without specific written instructions that have been sent by Customer to the IB Customer Service Department at help@interactivebrokers.com and have been received by the IB Customer Service Department. The consequences of Customer's failure to timely provide such instructions are entirely the Customer's own responsibility.
7. **Consent to Electronic Records and Communications:** Customer consents to the receipt of electronic instructions, notices, messages, trade confirmations, account statements, proxy materials, key information documents and other records and communications (collectively, "Records and Communications") relating to this Agreement; any other agreement between customer and IB UK, IB LLC or their Affiliates; any of Customer's orders, Transactions or accounts; or any of Customer's dealings with IB UK, IB LLC or any of their Affiliates, in lieu of the receipt of Records and Communications in any other form.
8. **Confirmations and Account Statements:**
 1. IB UK or its Affiliates shall provide a summary of the trading activity in Customer's account to Customer on a daily basis. IB UK or its Affiliates shall provide to Customer account statements of Customer's account on a monthly basis.
 2. IB UK and its Affiliates may elect to confirm the execution or cancellation of any Customer order by the sole methods of transmitting an electronic confirmation to Customer via e-mail or through the IB System or, for security purposes, by posting the information on the IB UK website with a notification sent to Customer to login and retrieve the information. Customer agrees to accept electronic trade

confirmations in lieu of printed confirmations.

3. Customer agrees to monitor each open order until IB UK or one of its Affiliates confirms the execution or cancellation of the order to Customer. Confirmations may be subject to delays. Customer understands that reports and confirmations of order executions or cancellations may be erroneous for various reasons including, but not limited to, cancellation or adjustment by an exchange. Confirmations also are subject to change by IB UK or its Affiliates, in which case, Customer shall be bound by the actual order execution, so long as it is consistent with Customer's order.
4. Customer agrees to notify IB UK by telephone at the telephone number(s) specified on the IB UK website or by e-mail to the IB Customer Service Department at help@interactivebrokers.com as soon as reasonably possible after Customer has become aware, or should have become aware, that: (1) Customer has failed to receive an accurate confirmation of an execution or cancellation; (2) Customer has received a confirmation that is not consistent with Customer's order; (3) Customer has received confirmation of execution or cancellation of an order that Customer did not place; or (4) Customer has received a confirmation; account statement; or other information reflecting inaccurate orders, trades, account balances, securities, options or futures positions, funds, margin status or transaction history.
5. In the event that IB UK or any of its Affiliates confirms an execution or cancellation in error and Customer unreasonably delays in reporting such error, IB UK and its Affiliates reserve the right to require Customer to accept the trade, or to remove the trade from Customer's account, in their respective sole discretion.
6. Customer understands and agrees that IB UK or its Affiliates may adjust Customer's account to correct any error. Customer agrees to promptly return to IB UK or its Affiliates, as the case may be, any assets distributed to Customer to which Customer was not entitled.
9. **Margin:** The following provisions apply to margin-enabled accounts:
 1. **Risk of Margin Trading:** Customer understands that trading on margin involves a high degree of risk and may result in a loss of funds greater than the amount Customer has deposited in Customer's account. Customer represents that Customer has read and understands the "Disclosure of Risks of Margin Trading" provided separately by IB UK.
 2. **Requirement to Maintain Sufficient Margin:** Customer margin Transactions are subject to IB UK and IB LLC initial margin and maintenance margin in accordance with the margin requirements which have been established by them or the applicable exchange, whichever is greater ("Margin Requirements"). IB Margin Requirements may exceed the margin required by any exchange or clearing house. IB Margin Requirements shall be posted on the IB UK website. The general formulas for calculating Margin Requirements provided on the IB UK website are only indicative and may not accurately reflect the actual Margin Requirements in effect at a particular time for Customer's portfolio. Customer must at all times satisfy whatever Margin Requirements are calculated by IB UK and IB LLC. Customer shall maintain, without notice or demand from IB UK, IB LLC or their Affiliates, a sufficient account balance at all times so as to continuously satisfy the applicable Margin Requirements. As set forth herein, Customer shall submit all payments made by Customer to satisfy Margin Requirements directly to IB LLC in accordance with the instructions then set forth on the IB UK website and then in effect.
 3. **Modification of Margin Requirements:** IB UK and/or its Affiliate(s) may modify the Margin Requirements for any Customer, for open and new positions, at any time, in their sole discretion. Customer shall be required to supplement margin any time that IB increases Customer's Margin Requirements.
 4. **Acceptable Margin:** Margin shall be provided by or on behalf of Customer in the acceptable forms then listed on the IB UK website and in effect. IB UK reserves the right to alter the acceptable forms of margin, in its sole discretion, by posting the amended acceptable margin forms on the IB UK website.
 5. **Failure to Satisfy Margin Requirements:** Customer shall monitor Customer's account so that, at all times, the account shall contain a sufficient account balance to continuously satisfy the Margin Requirements, without notice or demand. IB UK or its Affiliates may reject any Customer order if Customer does not have a sufficient account balance to satisfy the Margin Requirements and may delay the processing of any order while determining the correct margin status of Customer's account. Failure by Customer to satisfy the Margin Requirements constitutes an Event of Default and provides IB UK 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 Customer's positions.
 6. **IB UK Shall Not Issue Margin Calls:** IB UK, IB LLC, and their Affiliates shall not have any obligation to notify Customer of any failure to meet the Margin Requirements in Customer's account prior to IB UK, IB LLC or any of their Affiliates exercising any of their respective rights and remedies under this Agreement. Customer understands that IB UK, IB LLC, and their Affiliates shall not issue margin calls and that IB UK, IB LLC and their Affiliates shall not credit Customer's account to meet intraday margin deficiencies. Customer understands that IB UK (IB LLC or another IB UK Affiliate) is authorized to liquidate positions in Customer's account in order to satisfy the Margin Requirements without prior notice to Customer.

7. **Margin Trading Acknowledgement:** Customer acknowledges that where credit is extended to Customer pursuant to margin loan facilities provided under the terms of this Agreement, it is likely to exceed a sum equivalent to GBP25,000, at some stage. The maximum amount of the margin loan will be based on the account equity.
8. **Use of Margin:** Customer acknowledges and agrees that:
 1. IB UK, IB LLC or their Affiliates may use any margin in the form of securities for their own accounts or the accounts of any of their other Customers for the purposes of settling trades, in which event IB UK, IB LLC and its Affiliates shall not be liable for any loss or expense whatsoever that is suffered or incurred by Customer arising out of such use;
 2. IB UK may return to Customer (through IB LLC) margin in the form of securities which are equivalent, but not identical to, the securities Customer originally deposited with IB LLC; and
 3. Margin in the form of securities may be registered in the name of IB LLC, an IB LLC Affiliate, or such other person as IB LLC may determine. Any investments or documents of title will be held by IB LLC or any third party as IB LLC shall determine in relation to margin in the form of securities. IB LLC, IB UK and their Affiliates shall not be liable for any default by any other person holding such margin.

10. Client Money and Custody:

1. IB LLC to Provide Client Money and Custody Services:

1. IB LLC shall provide certain client money and custody services for Customer and with respect to Customer's Transactions and IB UK 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 Customer's account (including, without limitation, funds submitted for the purpose of satisfying Margin Requirements); (b) holding Customer's securities and other assets (including, without limitation, collateral and safe custody investments); (c) applying the Margin Requirements to Customer's account; (d) conducting stock lending activity with or for the Customer; (e) crediting Customer's account for any credit interest owed to Customer from IB UK; (f) debiting Customer's account for any daily or debit interest owed by Customer to IB UK; (g) transferring funds to Customer (e.g., upon Customer's request for a withdrawal of funds from Customer's account); and (h) under the circumstances set forth in this Agreement, effectuating the liquidation of Customer's positions or assets.
2. Notwithstanding any other services provided by IB LLC to IB UK or to Customer pursuant to the Execution and Clearing Agreement referenced in this Agreement, Customer shall be a Customer of IB LLC, and not of IB UK, for the purposes of the provision of the Client Money and Custody Services only. The terms and conditions of this Agreement shall apply to IB LLC's provision of the Client Money and Custody Services to Customer. Notwithstanding the foregoing, IB LLC may be a third party beneficiary to any portion of this Agreement or any other agreement between IB UK and Customer.

2. United Kingdom Client Money and Custody Rules:

1. IB LLC is located outside of the United Kingdom and IB LLC may deposit and hold money, securities, and other assets (including, but not limited to, collateral and safe custody investments) on behalf of Customer in accounts that are located outside of the United Kingdom. The legal, regulatory, and settlement regime applicable to IB LLC and to the entities in which Customer's 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 Customer's money, securities, and assets may apply and, in the event of a default of IB LLC or the entity in which Customer's money, securities and other assets are held, Customer's 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.
2. To the extent that IB LLC holds Customer money, securities, or other assets, IB LLC will hold such money, securities, and assets in accordance with the rules of the U.S. Securities and Exchange Commission ("SEC") and the U.S. Commodity Futures Trading Commission ("CFTC"), as applicable.

3. Use of Another Intermediate Broker, Agent, Settlement Agent, or OTC Counterparty Outside of the United Kingdom:

IB LLC may pass money, securities, or other assets held on Customer's behalf to another intermediate broker or agent, settlement agent, or 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 Customer's money, securities or other assets are 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 Customer's money, securities, and assets may apply, and, in the event of a default of the intermediate broker, settlement agent or OTC counterparty, the Customer's 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.

4. Submission and Disbursement of Funds:

1. **Funds to IB LLC:** Customer agrees to submit all funds related to any Transaction or to Customer's account or otherwise made pursuant to this Agreement (including, but not limited to, funds submitted to satisfy Margin Requirements) directly to IB LLC or to a designated financial institution with which IB LLC maintains an account, in accordance with the instructions then set forth on the IB UK website and in effect. IB UK reserves the right to amend such instructions, in its sole discretion, at any time, upon notice made by posting the amended instructions on the IB UK website.
2. **Disbursement of Funds:** (a) Funds shall not be disbursed to Customer until after positions are settled and (b) Funds received by cheque shall not be disbursed prior to twelve (12) business days from the date of deposit by IB LLC.
5. **Delivery:** If, at any time, either: (1) Customer fails to deliver to IB LLC or to any of its Affiliates any property previously sold by IB LLC or its Affiliates on Customer's behalf, or fails to deliver any property in compliance with any transaction; or (2) IB LLC or any of its Affiliates is required or reasonably deems it advisable (whether by reason of the requirements of any exchange, clearing organization or otherwise) to replace any property delivered by IB LLC or its Affiliates for Customer's account with other property of like or equivalent kind or amount, then: Customer authorizes IB LLC 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 IB LLC or any of its Affiliates borrows or otherwise acquires property from a third party for such purposes, IB LLC and its Affiliates may subsequently pay for, or repay the loan of, such property with securities purchased or otherwise acquired for Customer's account.
6. **Stock Lending Activity:**
 1. Customer consents to IB LLC and its Affiliates undertaking, or otherwise engaging in, stock lending activity and the lending of Customer collateral, securities or other property (including, but not limited to, safe custody investments) including, but not limited to, using Customer collateral, securities or other property for their own accounts or for the accounts of other Customers, and lending, either to themselves, to their Affiliates, or to others, any Customer collateral, securities and other property held by IB LLC in Customer's accounts. Pursuant to Applicable Regulations, IB LLC or its Affiliates may, from time to time and without notice to Customer, deposit all collateral, securities and/or other Customer property with third parties and may pledge, re-pledge, hypothecate or re-hypothecate, all Customer collateral, securities and/or other Customer property, either separately or together with other securities and/or other property of other Customers of IB UK, IB LLC or their Affiliates, for any amount due to IB UK, IB LLC, their Affiliates or other persons, in any IB UK account in which Customer has an interest. IB LLC or its Affiliates, may so pledge, re-pledge, hypothecate or re-hypothecate Customer collateral, securities and/or other property without retaining in IB LLC's or its Affiliate's possession or under its control for delivery a like amount of similar collateral, securities and/or other property and IB LLC or its Affiliates may return to Customer collateral, securities and/or other property other than the original, or original type of, collateral, securities and/or property that Customer deposited with IB LLC. Collateral that is registered with a third party may not be in Customer's name.
 2. To the extent that IB LLC or its Affiliates undertakes any stock lending activity with or for Customer, Customer should be advised that:
 1. Such activity may affect Customer's tax position and Customer should consult his tax advisor prior to any involvement in this activity; and
 2. There may be consequences to such activity, including in relation to Customer's rights as holder of the designated investments.
7. **Interest:** IB UK (through IB LLC) shall pay credit interest to Customer and shall charge debit interest to Customer at such interest rates and on such credit or debit balances as are then set forth on the IB UK website. IB UK 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 IB UK website.
8. **Taxes:** IB UK, through IB LLC, may, in its discretion, deduct or withhold from any Customer account or from any amount due to Customer all forms of tax (whether a tax of the United Kingdom or elsewhere in the world and whenever imposed) in accordance with Applicable Regulations. In accounting for taxes or in making deductions or withholdings of tax, IB UK may estimate the amounts concerned. Any excess of such estimated amounts over the final confirmed liability shall be credited to the Customer's account. Any deficiency of such estimated amounts under the final confirmed liability may be deducted or retained from any amounts that IB UK or its Affiliates may owe to, or be holding for, Customer.
11. **Cash Account Deficits:** If a cash (non-margin) account incurs a deficit for any reason, margin interest will be charged on the debit balance owed by Customer to IB UK until the deficit is repaid. In their respective discretion, IB UK and its Affiliates shall have the right, but not the obligation, to treat a cash (non-margin) account that has incurred a deficit as a margin account, in which case the terms and conditions specified in this Agreement relating to margin shall apply. For any Customer deficit in any account type that remains unpaid, Customer agrees to pay and shall be liable for the reasonable costs and expenses of the collection of the debit balance, including, but not limited to, attorneys' fees and/or collection agent fees.

12. Universal Accounts:

1. Customer acknowledges that an IB UK Universal Account consists of two underlying accounts: (1) an account for trading securities and equity options, which is carried by IB LLC pursuant to SEC regulations and (2) an account for trading futures and options on futures, which is carried by IB LLC pursuant to CFTC regulations. Customer understands and acknowledges that the Universal Account is actually two separate accounts for bookkeeping and regulatory purposes. Customer authorizes IB UK, IB LLC 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 Customer.
2. Customers utilizing IB UK's Universal Account functionality authorize IB UK (through IB LLC) to transfer cash, at any time, between and among any of Customer's underlying securities/equity options and futures/options on futures accounts to cover any obligations (e.g., funds needed for the purchase of investment products) or Margin Requirements in any other of Customer's accounts. Customer acknowledges the right of IB UK and its Affiliates to liquidate positions in any of Customer's underlying securities/equity options or futures/options on futures accounts to cover any deficit in any other account, in accordance with the provisions of this Agreement.
3. Customer's utilizing IB UK's Universal Account functionality acknowledge that the funds and positions in the underlying futures/options on futures account are not entitled to any U.S. Securities Investor Protection Corporation ("SIPC") protection nor to any excess SIPC-type insurance coverage that may be provided by IB UK or its Affiliates.

13. Provisions Relating to Multi-Currency Enabled Margin Accounts:

1. **Operation of Multi-Currency Accounts:** The IB Multi-Currency Account function gives IB UK Customers the ability to trade securities or futures contracts that are denominated in different currencies using a single IB UK account that is denominated in a "base" currency of the Customer's choosing. When a Customer purchases a security or futures contract denominated in a currency other than the base currency, a margin loan is established to fund the purchase. This margin loan is secured by Customer funds held by IB UK (through IB LLC) in the Customer's base currency and in other currencies and by Customer's securities and futures contract positions to the extent allowed by law.
2. **Foreign Currency Exchange Transaction Facility:** Customers with Multi-Currency enabled accounts may exchange cash funds between the base currency and other currencies through spot foreign exchange transactions executed through the IB system. Customers 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.
3. **Foreign Currency Exchange Transactions:** For foreign currency exchange transactions executed through IB UK's spot foreign currency exchange facility, IB UK, IB LLC or one of their Affiliates generally will act as agent or riskless principal and may effect such transactions through an IB UK Affiliate, which may earn a profit (or suffer a loss) in connection with such transactions. Customer shall pay a transaction fee to IB UK (through IB LLC) for each foreign exchange transaction, which IB UK (through IB LLC) may deduct from Customer's account. IB UK may modify the transaction fee rates upon notice to Customer via the IB UK website or otherwise.
4. **Margin:** Customer is obligated to maintain sufficient funds in Customer's Multi-Currency enabled account at all times to meet the Margin Requirements set by IB UK, or be subject to liquidation of positions as described in this Agreement. If Customer maintains positions denominated in foreign currencies, the IB system will calculate the margin required to carry those positions by applying exchange rates specified by IB UK and translating the foreign currency margin balances into the base currency specified by the Customer (Customer understands that this is a pro forma calculation - no funds will actually be converted for purposes of margin calculations). **IN TRANSLATING THE CUSTOMER'S FOREIGN CURRENCY MARGIN REQUIREMENTS INTO THE BASE CURRENCY, IB UK (THROUGH IB LLC) 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. CUSTOMER THEREFORE MUST CLOSELY MONITOR MARGIN REQUIREMENTS AT ALL TIMES, PARTICULARLY FOR POSITIONS DENOMINATED IN FOREIGN CURRENCIES (BECAUSE CURRENCY FLUCTUATION, IN ADDITION TO FLUCTUATION IN THE VALUE OF THE UNDERLYING POSITION, CAN CAUSE CUSTOMER TO INCUR A MARGIN DEFICIT).**
5. **Foreign Currency Exchange Rates:** If IB UK or any of its Affiliates enters into a Transaction that is effected in a currency other than the currency provided by Customer to IB UK (through IB LLC), then any loss arising from a fluctuation in the exchange rate affecting the foreign currency will be at Customer's risk. Upon liquidation of such transaction, IB UK (through IB LLC), in its discretion, may debit or credit Customer's account, in such foreign currency or other currency at the rate then prevailing at the time of the liquidation as IB UK shall reasonably select.
6. **Right to Refuse Orders:** These provisions do not evidence the commitment of IB UK or IB LLC to enter into foreign currency exchange transactions generally or to enter into any specific foreign currency exchange transaction. IB UK and IB LLC reserve the right, exercisable at any time in their sole respective discretion, to refuse: (1) acceptance of Customer's orders, or (2) to quote a two-

way market.

7. **Authorization to Transfer Funds:** Customer agrees that IB UK (through IB LLC) may transfer to or from Customer's regulated securities/equity options account or futures/ options on futures account(s) from or to any of Customer's non-regulated foreign currency account, 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 Regulations.
8. **Netting Provisions:**
 1. Netting by Novation. Each foreign currency transaction made between Customer and IB UK, IB LLC or any of their Affiliates will immediately, upon its being entered into, be netted with all then existing foreign currency transactions between Customer and IB UK, IB LLC and their Affiliates for the same currencies so as to constitute a single foreign currency transaction.
 2. Payment Netting. If on any delivery date more than one delivery of a particular currency is to be made between Customer and IB UK, IB LLC 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.
 3. Close-Out Netting. In the event Customer: (a) incurs a margin deficit in any IB UK account, (b) defaults in the payment or performance of any obligation to IB UK or IB LLC under any agreement with IB UK or IB LLC, (c) becomes the subject of a bankruptcy, insolvency or other similar proceeding, or (d) fails to pay its debts generally as they become due, IB UK, IB LLC and their Affiliates shall be entitled, in their discretion, immediately and at any time, to close-out all Customer's 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 Customer's collateral in the possession or control of IB UK, IB LLC or their Affiliates on any commercially reasonable basis and apply the proceeds of such collateral to any amounts owing by Customer to IB UK or IB LLC resulting from the close-out of such foreign currency transactions.
 4. Notwithstanding anything to the contrary set forth above regarding the rights of IB UK, IB LLC or their Affiliates to close-out foreign currency transactions, if an event specified in clause (c) of sub-section (3) has occurred, then upon the occurrence of such event, all outstanding foreign currency transactions will be deemed to have been automatically terminated as of the time immediately preceding the institution of the relevant proceeding, or the presentation of the relevant petition upon the occurrence with respect to Customer of such specified event.
 5. The rights of IB UK, IB LLC and their Affiliates under this section shall be in addition to, and not in limitation or exclusion of any other rights that IB UK, IB LLC or their Affiliates may have (whether by agreement, operation of law or otherwise).

14. IB UK and its Affiliates:

1. **Relationship between IB UK and IB LLC:** Customer acknowledges that it has read and understands the Notice of Execution and Clearing Agreement set forth above consents to the relationship between IB UK and IB LLC as described therein.
 2. **Regulation of IB UK:** IB UK is regulated in the United Kingdom by the FCA. IB UK's principal place of business in the United Kingdom is located at: Heron Tower, 110 Bishopsgate (Level 20), London EC2N 4AY.
 3. **Regulation of IB LLC:** IB LLC is regulated in the United States by the SEC, the CFTC and various self-regulatory organizations. IB LLC's principal place of business in the United States is located at One Pickwick Plaza, Greenwich, CT 06830.
 4. **Financial statements:** A copy of IB LLC's audited financial statements, as prepared, are available to Customer through IB LLC's website and, upon request, by mail. Customer shall rely only upon the financial condition of IB UK or IB LLC, as applicable, in connection with their respective obligations and responsibilities under this Agreement. Under no circumstances, shall Customer rely on the financial condition of their respective Affiliates.
 5. **Affiliates' Rights and Liabilities:** Affiliates of IB UK and IB LLC are not liable for the acts and omissions of IB UK and IB LLC, respectively. All of IB UK's and IB LLC's rights, remedies and limitations on liability under this Agreement shall inure to the benefit of their affiliated companies.
15. **Proprietary Trading and Display of Customer Orders:** Subject to Applicable Regulations, Customer authorizes IB UK and IB LLC to engage in proprietary trading, and to execute the proprietary trades of their respective Affiliates, even though IB UK or IB LLC may simultaneously hold unexecuted Customer orders for the same products which could be executed at the same price.
16. **Material Interest:** IB UK or its Affiliates may, when arranging deals or dealing for Customer, have various policies and procedures in place to assist in identifying, preventing and managing conflicts of interests with Customer, or between Customer and another client that arise in the course of providing services. The IB UK 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. A summary of the policy can be found on the IB UK website. In addition to the Conflicts of Interest policy, there are various other policies and processes that address conflicts of interest that arise in specific circumstances, including those dealing with employee trading, external interests or gifts and entertainment.

In those residual circumstances where organizational or administrative arrangements are unable to prevent, with reasonable confidence, that the risk of the conflict has a negative impact on Customer's interest, IB UK and its Affiliates 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 services to Customer. IB UK or its Affiliates hereby disclose that, when providing services to Customer (including but not limited to when arranging deals or dealing for Customer), they may have an interest relationship or arrangement that is material including, without limitation: (A) Dealing in the investment concerned or a related investment or an asset underlying the investment, as principal for IB UK's or the Affiliate's own account or that of someone else, including selling to or buying from Customer; (B) Combining Customer's orders with IB UK's own orders, the orders of IB UK's Affiliates, or the orders of the Customers of IB UK or its Affiliates; (C) Matching (e.g., by way of a cross) Customer's order with that of another Customer by acting on his behalf as well as that of Customer; (D) Buying from Customer and either selling or not selling immediately to another Customer or vice versa; (E) An Affiliate receiving payment from select execution venues or liquidity providers for certain client order flow in U.S. exchange-listed stocks and ETFs that the Affiliate routes the orders to; (F) Holding a position (including a short position in the investment concerned, a related investment or an asset underlying the investment); (G) Quoting prices to the market in the investment, a related investment or the asset underlying the investment; and (H) Arranging deals and providing other services to associates or Customers who may have interests in investments or underlying assets which conflict with Customer's own. Customer authorizes IB UK, its Affiliates, or their customers, to act as buyers with respect to orders given by Customer to IB UK to sell for Customer's accounts, or as sellers with respect to orders given by Customer to IB UK to buy for Customer's accounts. Customer accepts that IB UK and/or its Affiliates may have interests which conflict with Customer's interests and may owe duties which conflict with duties which would otherwise be owed to Customer and consents to the same. This consent is subject to the Rules of the exchanges or markets on which such transactions occur and other Applicable Regulations.

17. **IB UK Website:** Customer agrees to monitor the IB UK website at www.interactivebrokers.co.uk for information regarding IB UK's services. Customer consents to receive key information documents ("KIDs") for products covered by the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIPs") by means of a website. The address to such website is displayed both on the Client's Account Management section of the IB UK website and in the contract details page for the relevant PRIIP product. The contract details page is hosted in the Interactive Brokers Trader Work Station and can also be accessed under product details in the product listing page of the IB UK website. Customer understands that, to the extent that this Agreement varies from material on the IB UK website, this Agreement controls.
18. **Risks:** Customer acknowledges that trading securities, options, futures, currencies and investments traded on foreign markets is a highly speculative activity involving a high degree of risk, arising from the use of leverage and rapidly fluctuating markets. Customer represents that Customer is willing and able to assume these risks. Customer hereby agrees to hold IB UK; IB UK's Affiliates; and their respective directors, officers, partners, employees, associates, and agents harmless against any costs, expenses, losses, claims, liabilities or damages that result from Customer's trading. Customer acknowledges that there are special characteristics and unique risks associated with trading in securities, options, futures and other investment products at times that are outside the ordinary trading hours for the exchanges or markets upon which such products are traded. Such risks include, but are not limited to, the risk of lower liquidity, the risk of higher volatility, the risk of changing prices, the risk arising from unlinked markets, the risk of news announcements affecting prices, and the risk of wider spreads.
19. **Alternative Trading Arrangements:** Electronic and computer-based facilities and systems such as those provided to Customer and used by IB UK and its Affiliates are inherently vulnerable to disruption, delay or failure and such facilities and systems may be unavailable to Customer as a result of foreseeable and unforeseeable events. **CUSTOMER MUST MAINTAIN ALTERNATIVE TRADING ARRANGEMENTS IN ADDITION TO CUSTOMER'S ACCOUNT FOR THE PLACEMENT AND EXECUTION OF CUSTOMER'S ORDERS IN THE EVENT THAT THE IB SYSTEM IS UNAVAILABLE.** By signing this Agreement, Customer represents that Customer shall maintain such alternative trading arrangements.
20. **Price Quotations, Market Information, News, Research and Internet Links:**
 1. The price quotations, market information, news and research accessible through the IB UK website, through the websites of IB UK Affiliates, or through the other services or facilities provided IB UK or its Affiliates including, without limitation, the "Trader Toolbox" (collectively, "Information") may be prepared by exchanges or other information providers that are independent of IB UK and IB UK's Affiliates ("Third Party Information Providers"). None of the Information constitutes advice or a recommendation by IB UK or its Affiliates or a solicitation of any offer to buy or sell any securities, options, futures, or other investment products.
 2. IB UK, its 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 Customer's own risk. Customer should conduct further research and analysis or consult an investment advisor before making investment decisions and Customer retains full responsibility for making all trading decisions with respect to Customer's account. **IN NO EVENT SHALL IB UK, IB UK'S 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.

3. IB UK, its Affiliates, and the Third Party Information Providers are not responsible for determining whether Customer is entitled to receive or subscribe to any research accessible through the IB UK website or for Customer compliance with applicable rules in relation to subscription to any research. Customer undertakes to notify IB UK if Customer considers not to be entitled to accept and retain access to any research listed on the IB UK website. Subscription to research is subject to the charges disclosed on the IB UK website. Customer may pay for the subscription directly from Customer's own resources, from a separate research payment account, or as otherwise permitted under applicable rules.
4. The Information is the property of IB UK, IB UK's Affiliates, the Third Party Information Providers, or their licensors and is protected by applicable intellectual property law (e.g., patent, copyright and trademark law). Customer agrees 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 IB UK, IB UK's Affiliates, or the Third Party Information Providers, as applicable. IB UK and its Affiliates reserve the right to terminate access to the Information, at any time, without notice to Customer.
5. Links to outside websites ("Outside Websites") are provided for the convenience of Customers and other IB UK website visitors only and do not constitute advice or a recommendation by IB UK 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 IB UK and its Affiliates. Neither IB UK 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 Customer's own risk. In no event shall IB UK 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. IB UK and its Affiliates reserve the right to terminate any link to any Outside Website, at any time, without notice to Customer.

21. License to Use IB Software and Related Restrictions: IB UK and its Affiliates grant to Customer and Customer accepts a non-exclusive and non-transferable license to use IB's proprietary software to communicate with the IB System ("IB Software"), solely as provided herein. Title to the IB Software shall remain the sole property of IB UK and its Affiliates, including without limitation, all applicable rights to patents, copyrights and trademarks. Customer shall secure and protect the IB Software in a manner consistent with the maintenance of IB UK's and its Affiliates' ownership and rights therein and shall not sell, exchange, or otherwise transfer the IB Software to others. IB UK and its Affiliates shall be entitled to obtain immediate injunctive relief against threatened breaches of the foregoing undertakings. Customer 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 authorized to do so by an officer of IB UK in a writing that has been confirmed by IB UK's Secretary. Any updates, replacements, revisions, enhancements, additions or conversions to the IB Software supplied to Customer by IB UK or its Affiliates shall become subject to this Agreement.

22. Account Application Materials:

1. Customer acknowledges that: (1) the Customer's account application and any information and documentation submitted by Customer in relation thereto (collectively, "Account Application Materials") are incorporated herein by reference and made a material part of this Agreement and (2) all of the information contained in the Account Application Materials is true and complete.
2. Customer agrees that, if any information provided by Customer in the Account Application Materials changes, ceases to be true, or becomes materially misleading (including, but not limited to, the ownership or beneficial interest in Customer's account), Customer shall make the appropriate change to Customer's account information using the procedures available on the IB UK website or shall contact the IB Customer Service Department for further instructions via an e-mail addressed to help@interactivebrokers.com, specifying "Attn: IB UK Compliance Director" in the subject field. Customer authorizes IB UK and its Affiliates to make any inquiry they deem appropriate, at any time, to verify any Customer information. Customer agrees to provide to IB UK, upon IB UK'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 the identity of Customer or related persons.

23. Other Customer Representations and Warranties:

1. If Customer is an individual, Customer represents and warrants that, as at the date of this Agreement and each time Customer places an order and or executes a Transaction, Customer: (1) has attained eighteen [18] years of age; (2) has all necessary legal capacity to enter into this Agreement and to place orders under this Agreement; (3) is financially sophisticated; (4) has sufficient experience with the securities, options, futures, and other investment products to be traded in Customer's account; and (5) is knowledgeable about the risks and characteristics of such products.
2. If Customer is not an individual (e.g., is a corporation, unincorporated business, partnership or

trust), Customer and each of Customer's authorized representatives represent and warrant that, as of the date of this Agreement and each time they place an order and/or execute a Transaction: (1) it is duly incorporated and validly existing under the laws of its place of organization or formation; (2) it has, and will have, pursuant to its articles of incorporation, partnership agreement, charter, by-laws, operating agreement or other governing document(s) ("Governing Documents") and the jurisdictions in which Customer is registered, authorized, and/or regulated, the power and authority to enter into, exercise its rights, and perform or comply with its obligations under this Agreement and each order; (3) it has, and will have, pursuant to its Governing Documents and the jurisdictions in which Customer is registered, authorized, and/or regulated, the power and authority to trade the securities, options, futures, and other investment products to be traded in Customer's account; (4) it has and will have taken all necessary action to authorize the exercise, performance, and execution of this Agreement and any other document relating to this Agreement to which Customer is a party; (5) it is under no legal incapacity; (6) it is financially sophisticated; (7) it has sufficient experience with, and is knowledgeable about, the risks and characteristics of the securities, options, futures, and other investment products to be traded in Customer's account; and (8) the persons which Customer identifies to IB UK as authorized to enter orders and trade on behalf of Customer have full authority to do so.

3. If Customer is a trust, "Customer" as used herein refers to the Trust and/or the Trustees. The Trustee(s) hereby represent(s) that: (1) There are no other Trustees of the Trust other than those identified in the Account Application Materials; (2) IB UK and its Affiliates have the authority to accept orders and other instructions relative to this account from the Trustee(s). Trustee(s) hereby certifies(y) that IB UK and its Affiliates are authorized to follow the instructions of any Trustee and to deliver funds, securities, or any other assets in this account to any Trustee or on any Trustee's instructions, including delivering assets to a Trustee personally. IB UK and any of its 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; (3) Trustee(s) have (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 IB UK account applied for, and to enter into Transactions and issue instructions for this account. To the extent that the following activities are permitted for the type of 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 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; (4) 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 account as described above, without acknowledgement or consent by the other Trustees; (5) Trustee(s) certifies(y) that any and all Transactions effected and instructions given regarding this account will be in full compliance with the Trust, the Trust Agreement, and Applicable Regulations; (6) Trustee(s), jointly and severally, shall indemnify IB UK and its Affiliates and hold IB UK and its Affiliates harmless from any claim, loss, expense or other liability for effecting any Transactions, and acting upon any instructions given by the Trustee(s); (7) Trustee(s), agree(s) to inform IB UK of any material change in any information provided in the Account Application Materials by an e-mail addressed to the IB UK Customer Service Department at help@interactivebrokers.com; and (8) Trustee(s) represent(s) that the statements and certifications made herein and the information provided in the account application process are true and correct, and authorizes IB UK and any of its Affiliates to confirm their accuracy as it deems necessary.
4. If Customer is a regulated entity or affiliated with a regulated entity: Customer represents and warrants to IB UK that, as at the date of this Agreement and each time it places an order and/or executes a Transaction, unless Customer has notified IB UK to the contrary in its Account Application Materials, Customer is 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 organization. Customer agrees to notify IB UK immediately by an e-mail addressed to the IB Customer Service Department at help@interactivebrokers.com if Customer becomes employed by, affiliated with, or associated with, a broker-dealer, futures commission merchant, or comparable securities, futures or investment professional, or if Customer becomes registered with, or authorized by, the National Association of Securities Dealers, Inc. ("NASD"); the National Futures Association ("NFA"); the SEC; the CFTC; the FCA; or any other financial regulatory agency or self-regulatory organization.
5. Customer shall promptly notify IB UK in an e-mail addressed to help@interactivebrokers.com, specifying "Attn: IB UK Compliance Director" in the subject heading, in the event that any of the above representations or warranties materially changes or ceases to be true and correct. Without limiting the generality of the foregoing, Customer specifically agrees to notify IB UK immediately in the event that: (1) If Customer is a corporation, unincorporated business, partnership, or trust, there

is a significant change in the nature of Customer's business or ownership; (2) If Customer is an unincorporated business or partnership, the authorized signatories of the business or partnership change; and (3) if Customer is a trust, any trustee is replaced. In all of the foregoing events, Customer agrees to provide to IB UK any additional information or documentation that IB UK deems necessary or desirable, upon IB UK's request.

24. Joint Accounts: For joint accounts, each joint account holder agrees that each joint account holder shall have authority, without notice to the other joint account holder to: (A) buy and sell securities, options, futures, or other investment products on margin, or otherwise, depending upon the type of account; (B) receive confirmations, statements, and Records and Communications of every kind related to the account; (C) receive and dispose of money, securities and/or other investments, assets or property in the account; (D) make, terminate, or agree to a modification of this Agreement; (E) waive any of the provisions of this Agreement; and (F) generally to deal with IB UK, IB LLC and their Affiliates as if each joint account holder alone was the sole holder of the account. 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 IB UK and its Affiliates with respect to all matters relating to the account. IB UK and its Affiliates may follow the instructions of any of the joint account holders concerning the account and make delivery to any of the joint account holders of any and all securities and/or other property in the account, and make payments to any of the joint account holders, of any or all monies in the 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.

In the event of the death of any of the joint account holders, the surviving joint account holders shall immediately give IB UK notice by registered mail to "Interactive Brokers (U.K.) Limited - Attn: Compliance Director" and IB UK and its Affiliates, may, before or after receiving such notice, initiate such proceedings, require such documents, retain such portion and/or restrict transactions in the 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. The estate of any deceased joint account holder shall be liable and each survivor shall be liable, jointly and severally, to IB UK and its Affiliates for any debt or loss in the account or debt or loss incurred in the liquidation of the account or the adjustment of the interests of the joint account holders. Unless the joint account holders indicated to the contrary when the IB UK account was opened, IB UK and its Affiliates may presume that it is the express intention of the joint account holders to hold the 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 account shall be vested in the surviving joint account holders on the same terms and conditions as theretofore held, without in any manner releasing the deceased joint account holder's estate from liability.

25. Default:

1. Events of Default: An "Event of Default" hereunder shall occur automatically, without notice to Customer, if:
 1. Customer breaches, repudiates, or fails to perform any obligations under the terms of this Agreement (including, without limitation, Customer's agreement to provide margin), any agreement with any third party or any Transaction, or fails to timely discharge any other obligation to IB UK, IB LLC or their Affiliates;
 2. Customer's account balance, at any time, has zero equity, is in deficit, or is insufficient to satisfy Margin Requirements;
 3. Customer, at any time, fails 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;
 4. IB UK or any of its Affiliates executes an order for which the Customer did not have sufficient funds;
 5. Customer has not offset a commodity options contract position at least one (1) hour prior to the time specified by an exchange for final settlement;
 6. Customer has not closed-out any position in a futures contract not settled in cash by the close-out deadline;
 7. Any dispute arises concerning any Customer trade;
 8. IB UK or any of its Affiliates, in their respective sole discretion, determine that it has sufficient grounds for insecurity with respect to Customer's performance of any obligation to any person including, but not limited to, Customer's obligations under any Transaction or pursuant to this Agreement and, immediately after demand, Customer fails to provide assurance of performance of the obligation satisfactory to IB UK;
 9. IB UK or any of its Affiliates consider liquidation necessary or desirable for its own protection or to prevent what IB UK or any of its Affiliates may, in its discretion, consider to be a violation of any Applicable Regulations or good standards of market practice;
 10. Customer is unable to pay its debts as they fall due or is bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to Customer; or any indebtedness of Customer 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;
 11. Customer commences a voluntary case or other procedure seeking or proposing liquidation, protection from creditors, reorganization, an arrangement or composition, a

freeze or moratorium or other similar relief with respect to Customer or its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to Customer, if insolvent), or seeking the appointment of a receiver, liquidator, conservator, administrator, custodian, examiner, trustee or other similar official (each a "Custodian") of Customer or any part of Customer's assets; or if Customer takes any corporate action to authorize any of the foregoing and, in the case of a reorganization, arrangement or composition, IB UK or any of its Affiliates do not consent to the proposals;

12. An involuntary case or other procedure is commenced against Customer seeking or proposing reorganization, or an administration order, liquidation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to Customer or its debts is imposed under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to Customer if insolvent);
 13. Any other proceedings are commenced by or against Customer 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 Customer's property, undertakings or assets (whether tangible or intangible);
 14. A Custodian is appointed for Customer or any of Customer's property;
 15. Customer makes an assignment for the benefit of creditors;
 16. Customer or any organization of which Customer is a member suspends or threatens to suspend the transaction of its usual business;
 17. Customer is dissolved, or, if its existence is dependent upon a form of registration or authorization, such registration or authorization is removed or ends, or any procedure is commenced seeking or proposing its dissolution or the removal or ending of such registration or authorization;
 18. An application for ancillary relief is made, relating to the property or entitlement under any contract of Customer in any matrimonial proceedings relating to Customer;
 19. Any other proceeding is commenced with respect to any of Customer's property or involving any organization of which Customer is a member;
 20. Any representation or warranty made or given, or deemed to have been made or given, by Customer, to IB UK or any of its 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;
 21. Customer dies, becomes legally incompetent, becomes of unsound mind or becomes incapable, by reason of mental disorder, of managing and administering his property and affairs;
 22. Customer fails to provide to IB UK, upon request, any information or documentation requested by IB UK for purposes of verifying the identity of Customer or any of the Customer's directors, principals, shareholders, owners, authorized signatories or traders, settlors, trustees or other persons whose identity IB UK wishes to identify for purposes of detecting money laundering; or
 23. IB UK or any of its Affiliates has reason to believe that any of the foregoing is likely to occur imminently.
2. **Default Action:** Customer absolutely and unconditionally agrees that, after the occurrence of any Event of Default, IB UK and its 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 IB LLC or another IB UK Affiliate, at any time, without prior notice or demand to Customer: (1) to terminate this Agreement, any or all of IB UK's and/or IB LLC's obligations to Customer for future performance thereunder, and/or Customer's use of the facilities and services provided by or through IB UK or any of its Affiliates; (2) to liquidate, sell, or close-out any or any part of Customer's Transactions or open positions or the cash, security or other property in any of Customer's 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 IB UK or its Affiliates deem necessary; (3) to 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; (4) to cancel any open orders for the purchase of any Transactions; (5) to borrow and/or buy any property required to make delivery against any sales, including short sales, effected for Customer; or (6) to exercise any or all option contracts to which Customer is a party. In the event of a liquidation upon an Event of Default, Section 26 of this Agreement will apply.
 3. **Set-off Rights:** IB UK and its Affiliates shall be entitled, through IB LLC, at any time, in its discretion, and without notice to Customer, to, (1) debit any sums due to IB UK, IB LLC, or their Affiliates under this Agreement (including any sums due pursuant to any Transaction) to any of Customer's accounts which are held on the books of IB UK, IB LLC, or their Affiliates; (2) convert any sums at such current rates as IB UK, IB LLC, or their Affiliates consider appropriate into such currencies as IB UK, IB LLC, or their Affiliates may consider appropriate; and (3) merge, consolidate or combine all or any such accounts and set off any amount (whether actual or contingent, present or future) at any time owing to IB UK, IB LLC, or their Affiliates to Customer or standing to the credit of

Customer on any account against any amount (whether actual or contingent, present or future) owing by Customer to IB UK, IB LLC, or their Affiliates. Any security given to IB UK, IB LLC or to any of their Affiliates by or with respect to Customer, for any purpose, shall extend to any amount owing from Customer to IB UK, IB LLC or their Affiliates, after such exercise of such right of set-off.

4. **Additional Rights:** The rights set forth in Sections 25.B and 25.C of this Agreement shall be in addition to, and not in limitation or exclusion of, any other rights IB UK or its Affiliates may have under this Agreement or Applicable Regulations.

26. Suspicious Activity: If IB in its sole discretion believes that a Customer 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 victim or perpetrator or otherwise), IB may suspend or freeze the account or any privileges of the account, may freeze or liquidate funds or assets, or may utilize any of the remedies in this Agreement for a "Default".

27. Liquidation of Positions and Offsetting Transactions:

1. **IB UK, IB LLC, AND THEIR AFFILIATES SHALL HAVE THE RIGHT, IN THEIR RESPECTIVE SOLE DISCRETION, BUT NOT THE OBLIGATION, TO LIQUIDATE ALL OR ANY PART OF CUSTOMER'S ASSETS OR POSITIONS IN ANY OF CUSTOMER'S ACCOUNTS, WHETHER CARRIED INDIVIDUALLY OR JOINTLY WITH OTHERS (INCLUDING BY THE ENTRY OF OFFSETTING TRANSACTIONS), AT ANY TIME, IN ANY SUCH MANNER, AND IN ANY MARKET, AS IB UK, IB LLC, OR THEIR AFFILIATES DEEM NECESSARY, WITHOUT PRIOR NOTICE OR MARGIN CALL TO CUSTOMER IN THE EVENT THAT; (1) CUSTOMER'S ACCOUNT HAS ZERO EQUITY; (2) CUSTOMER'S ACCOUNT IS IN DEFICIT; (3) CUSTOMER'S ACCOUNT DOES NOT HAVE A SUFFICIENT ACCOUNT BALANCE TO MEET MARGIN REQUIREMENTS; (4) AN EVENT OF DEFAULT HAS OCCURRED; (5) THIS AGREEMENT HAS BEEN TERMINATED; (6) IF IB UK, IB LLC OR ANY OF THEIR AFFILIATES EXECUTES AN ORDER FOR WHICH THE CUSTOMER DID NOT HAVE SUFFICIENT FUNDS; OR (7) WHENEVER IB UK, IB LLC OR ANY OF THEIR AFFILIATES DEEMS LIQUIDATION NECESSARY OR ADVISABLE FOR THE PROTECTION OF IB UK, IB LLC OR ANY OF THEIR AFFILIATES.**
2. Customer acknowledges and agrees that IB UK (through IB LLC) deducts commissions and various other fees (including, but not limited to, market data fees) from Customer accounts and that such deductions may affect the amount of equity in Customer's account to be applied against the Margin Requirements. Customer positions are subject to liquidation as described herein if deduction of the commissions, fees or other charges causes Customer's account to have an insufficient balance to satisfy the Margin Requirements.
3. Customer expressly waives any rights to receive prior notice or demand from IB UK, IB LLC or their Affiliates and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of the rights of IB UK, IB LLC or their Affiliates to liquidate any Customer positions or assets. Customer understands that, in the event that IB UK, IB LLC or any of their Affiliates liquidate any of Customer's positions or assets, Customer shall have no right or opportunity to determine the securities to be liquidated or the order or manner of liquidation. IB UK, IB LLC or any of their Affiliates may, in their sole respective discretion, effect a liquidation on any exchange, Electronic Communications Network ("ECN") or other market, and IB UK, IB LLC or any of their Affiliates may take the other side of such liquidating transaction. In the event that IB UK, IB LLC or their Affiliates liquidates any or all positions or assets in Customer's account, such liquidation shall establish the amount of Customer's gain or loss and indebtedness to IB, if any.
4. CUSTOMER AGREES TO BE RESPONSIBLE FOR, AND TO PROMPTLY PAY TO IB UK, IB LLC OR THEIR AFFILIATES (THROUGH IB LLC), ANY DEFICIENCIES IN CUSTOMER'S ACCOUNT THAT ARISE FROM A LIQUIDATION OR REMAIN AFTER A LIQUIDATION. IB UK, IB LLC, AND THEIR AFFILIATES MAY APPLY ANY AND ALL PROCEEDS FROM ANY LIQUIDATION IN SETTLEMENT, SATISFACTION OR REIMBURSEMENT OF ANY COSTS, EXPENSES, FEES (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES), PENALTIES, CLAIMS, LOSSES, DAMAGES OR OTHER AMOUNT INCURRED BY IB UK, IB LLC OR THEIR AFFILIATES UNDER, OR IN CONNECTION WITH, ANY OF THE CUSTOMER'S ACCOUNTS OR TRANSACTIONS.
5. IB UK, IB LLC AND THEIR AFFILIATES SHALL NOT BE LIABLE TO CUSTOMER FOR ANY COSTS, EXPENSES, FEES, PENALTIES, CLAIMS, LOSSES, DAMAGES OR LIABILITIES SUSTAINED BY CUSTOMER IN CONNECTION WITH ANY LIQUIDATION (INCLUDING, BUT NOT LIMITED TO, LOSSES ON CUSTOMER'S POSITIONS) OR BECAUSE OF ANY DELAY IN, OR FAILURE TO EFFECT, THE LIQUIDATION ON THE PART OF IB UK, IB LLC OR ANY OF THEIR AFFILIATES OR (2) CUSTOMER SUBSEQUENTLY RE-ESTABLISHES CUSTOMER'S POSITION AT A LESS FAVORABLE PRICE.
6. Customer shall reimburse and hold IB UK, IB LLC 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 IB UK, IB LLC, or any of their Affiliates. If IB UK, IB LLC, or any of their Affiliates executes an order for which Customer's account did not contain sufficient funds and liquidates the trade, Customer 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.

7. If the IB System does not, for any reason, effect a liquidation, and IB UK, IB LLC or any of their Affiliates issues a margin call to Customer by e-mail or any other method, Customer must satisfy such margin call immediately. Customer agrees to monitor e-mail messages and to satisfy any margin call issued by IB UK, IB LLC or any of their Affiliates by immediately depositing funds in Customer's account to pay, in full, the under-margined position. Notwithstanding such margin call, Customer acknowledges that IB UK, IB LLC or their Affiliates, in their respective sole discretion, may liquidate Customer's positions at any time.
28. **Security Interest:** Any and all securities, cash, investments, contracts, foreign currency, collateral and/or property of Customer (including, but not limited to, Customer's safe custody investments) and all proceeds of the foregoing, held by or on behalf of IB UK, IB LLC or their Affiliates for Customer's account, are hereby pledged to IB and shall be subject to a perfected first priority lien and security interest in favor of IB UK or IB LLC, as applicable, to secure performance of Customer's obligations and liabilities to IB UK and IB LLC arising under this Agreement, any other agreement between Customer and IB UK or IB LLC, or any transaction under such agreements. IB UK, IB LLC, and its Affiliates, without notice to Customer, may use, transfer or sell or otherwise realise any or all of Customer's 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. Customer agrees that, on demand, Customer shall execute and sign all documents (including, without limitation, any stock transfer forms) which IB UK, IB LLC, or its Affiliates may determine to be necessary or expedient.
29. **No Restricted Securities.** Unless Customer has notified IB UK and IB LLC 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 Customer is an affiliate, and Customer will not attempt to sell such shares through IB UK or IB LLC without prior notice to and consent of IB UK and IB LLC.
30. **Termination:** IB UK or IB LLC may terminate this Agreement and/or Customer's use of the facilities and brokerage or other services provided by IB UK or its Affiliates, at any time, in their sole respective discretion. Upon Termination, IB UK, IB LLC and their Affiliates shall have the right, in their discretion, but not the obligation, at any time, to take any one or more actions specified in Sections 25.B, 25.C, 25.D, 26 and 27.
31. **Closing Accounts:** Customer may close its account only if all positions in the account have been closed and only pursuant to a written instruction sent by e-mail addressed to the IB Customer Service Department at help@interactivebrokers.com.
32. **Indemnification:** Customer shall indemnify and hold IB UK, IB LLC, and their Affiliates harmless for all actions, omissions, claims, costs, expenses, fees (including, but not limited to, attorneys' fees), penalties, losses, damages, taxes, imposts, levies and other liabilities which IB UK, IB LLC or their Affiliates may incur or be subjected to in connection with: (A) any of Customer's accounts or any Transaction or any matching transaction on an exchange or market, or with an intermediate broker or agent; (B) the exercise of any right or remedy under this Agreement; (C) the care of the collateral and defending or asserting the rights and claims of IB UK, IB LLC, or their Affiliates with respect thereto; (D) the inability of IB UK, IB LLC, or their Affiliates to borrow or buy property pursuant to this Agreement; and (E) meeting any obligation of IB UK, IB LLC, or any of their Affiliates which either IB UK, IB LLC, or any of their Affiliates fails to perform by reason of an Event of Default.
33. **Currency Indemnification:** If IB UK or any of its Affiliates receives or recovers any amount with respect to an obligation of Customer in a currency other than that in which such amount was payable, whether pursuant to a judgment of any court or otherwise, Customer shall indemnify IB UK and its Affiliates and hold IB UK and its Affiliates harmless from and against any cost (including the cost of conversion) and loss suffered by IB UK or its Affiliates as a result of receiving such amount in a currency other than the currency in which it was due.
34. **Limitation of Liability:**
 1. IB UK, IB LLC, 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 CUSTOMER UNDER THIS AGREEMENT UNLESS ARISING DIRECTLY FROM ITS GROSS NEGLIGENCE, WILLFUL DEFAULT, OR FRAUD OR CAUSING PERSONAL INJURY TO DEATH TO CUSTOMER. UNDER NO CIRCUMSTANCES SHALL IB UK, IB LLC, 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.
 2. CUSTOMER ACCEPTS THE IB 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 IB UK, IB LLC, THEIR AFFILIATES, NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ASSOCIATES, OR

AGENTS BE LIABLE TO CUSTOMER BY REASON OF DELAYS OR INTERRUPTIONS OF SERVICE OR TRANSMISSIONS, OR MALFUNCTIONS OR FAILURES OF PERFORMANCE OF THE IB 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, 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, OR THE INTENTIONAL ACTS OF IB UK, IB LLC, OR THEIR AFFILIATES. CUSTOMER RECOGNIZES THAT THERE MAY BE DELAYS OR INTERRUPTIONS IN THE USE OF THE IB SYSTEM, INCLUDING, FOR EXAMPLE, THOSE INTENTIONALLY CAUSED BY IB UK, IB LLC OR THEIR AFFILIATES FOR THE PURPOSE OF SERVICING THE IB SYSTEM. CUSTOMER ACKNOWLEDGES THAT CUSTOMER IS RESPONSIBLE FOR MAINTAINING ALTERNATIVE TRADING ARRANGEMENTS IN ADDITION TO CUSTOMER'S IB UK ACCOUNT.

3. IB UK, IB LLC, THEIR AFFILIATES, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ASSOCIATES OR AGENTS SHALL NOT BE LIABLE TO CUSTOMER 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, LABOR 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 IB UK, IB LLC, 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.
4. IN NO EVENT SHALL ANY LIABILITY OF IB UK, IB LLC, THEIR AFFILIATES, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, ASSOCIATES OR AGENTS, REGARDLESS OF THE FORM OF ACTION OR DAMAGES SUFFERED BY CUSTOMER, EXCEED THE HIGHEST AGGREGATE MONTHLY COMMISSIONS AND FEES PAID BY CUSTOMER TO IB UK.

35. Confidentiality and Data Protection:

1. Confidentiality, Recording of Telephone Calls and Data Use: IB UK attaches great importance to Customer confidentiality. However, IB UK and its Affiliates recognize that, in certain circumstances, information may need to be disclosed or transmitted, for example, to regulatory authorities. Accordingly, without prejudice to any right or obligation, whether having the force of law or not, by virtue of which IB UK, its Affiliates or connected persons may be entitled, required or requested to disclose or transmit to any person information confidential to Customer, IB UK or its Affiliates or any connected person shall not, without Customer's prior consent, disclose or transmit any information, or produce any documents, relating to Customer or Customer's affairs (including Customer's dealings with IB UK and IB LLC) except:
 1. as required or permitted by law or judicial process;
 2. as required or requested by any competent authority, including, without limitation, the Board of Inland Revenue, any regulatory, self-regulatory, or enforcement organization (including, without limitation, the Bank of England, the FCA, the Panel on Takeovers and Mergers, the CFTC, the NFA, the SEC, and the NASD), any investment exchange, or any person or body providing clearing and/or settlement services, in each case, whether or not acting pursuant to any statutory authority, whether based in the U.K. or abroad, and whether such authority, organization, exchange, person or body has required or requested that disclosure be made to it or to any other person
 3. where Customer has defaulted in the performance of its obligations under this Agreement or under any other agreement with IB UK, IB LLC, or their Affiliates, or under any agreement into which IB UK, IB LLC, or their Affiliates have entered on Customer's behalf, whereupon IB UK, IB LLC, and their Affiliates may disclose to any interested person Customer's name, address and such other information as IB UK, IB LLC, or their Affiliates deem necessary or as that person reasonably requests;
 4. where a counterparty to a transaction into which IB UK or one of its Affiliates is to enter on Customer's behalf reasonably requests information about Customer to enable him to assess the credit risk Customer represents;
 5. where IB UK, IB LLC or their respective Affiliates believe it is necessary or desirable in connection with the performance or exercise by them of their respective duties and/or rights under this Agreement or the terms of any other agreement IB UK or any of its Affiliates have with Customer;
 6. the connected companies, Affiliates or professional advisers of IB UK and IB LLC;
 7. to those directors, officers, employees, associates, agents, or advisers engaged, in the course of their duties or employment, in activities relating to the performance or exercise by IB UK, IB LLC, or their Affiliates of their obligations or rights under, or pursuant to, this Agreement or the terms of any other agreement IB UK, IB LLC, or any of their Affiliates

- have with Customer or with each other;
 - 8. in connection with the provision of any Trader Toolbox services available through the IB UK website; and
 - 9. where the information previously has been publicly disclosed otherwise than as a result of a breach of this section of this Agreement
2. IB UK, IB LLC, their Affiliates, and any connected person thereto are not obliged to disclose to Customer or to take into consideration or utilize for Customer's benefit any fact, matter or thing
 1. if, in IB UK, IB LLC, their Affiliates, or the connected person's opinion, disclosure or transmission of the information would or might be a breach of duty or confidence to any other person or render IB UK, IB LLC, their Affiliates, or their respective directors, officers, employees, associates, agent, or advisers liable to criminal or civil proceedings; or
 2. which comes to the notice of a director, officer, employee, associate, agent or adviser of IB UK, IB LLC, their Affiliates, or of any connected person thereto and does not come to the actual notice of the individual or individuals making the decision or taking or not taking the step in question.
 3. Customer, and any person connected to or representing Customer, accepts that all telephone conversations between IB UK, IB LLC, or their Affiliates, on the one hand, and Customer or such other person, on the other hand, may be recorded without the use of a warning tone. Such recordings will be IB UK's sole property. However, where required under Applicable Regulations, a copy of records relating to telephone conversations and electronic communications will be made available to Customer upon request (provided that a charge may be payable), for a period of 5 years and, where required by a competent authority for a period of up to 7 years. IB UK and its Affiliates will retain such records in accordance with their procedures which may change from time to time in their absolute discretion. Customer should not expect to be able to rely on IB UK, IB LLC or their Affiliates to comply with record keeping obligations.
 4. IB UK will act as a data controller of Customer's personal data within the meaning of the Data Protection Law. IB UK and its Affiliates may use, store, disclose, transmit or otherwise process ("Process") any information, including personal information, such as the name, address or age ("Personal Information") provided by Customer or its directors, officers, employees, associates, agents, trustees, traders, or representatives to IB UK, IB LLC, or their Affiliates under this Agreement or otherwise acquired by IB UK, IB LLC, or their Affiliates from Customer or its directors, officers, employees, associates, agents, advisers, trustees, traders or representatives in the circumstances set out in this clause and also (in each case to the extent permitted by the General Data Protection Regulation (EU) 2016/679 ("Data Protection Law")):
 1. for the purpose of administering this Agreement;
 2. to provide services to Customer;
 3. for the purpose of marketing financial services and products from IB UK, IB LLC, their Affiliates or third parties to Customer;
 4. to respond to requests for information from Customer and to follow up with Customer afterwards to see if IB UK can provide any further assistance;
 5. for statistical purposes and for market research and product analysis and to develop and improve products and services;
 6. to enforce or apply the Agreement and/or other agreements and/or to protect IB UKs and IB LLC (or others') property or rights and to defend any potential claim;
 7. for the purposes of preventing and detecting money-laundering, terrorism, fraud or other crimes and/or abuses of IB UKs and IB LLCs services;
 8. to comply with any legal, regulatory or good practice requirement whether originating from the United Kingdom or elsewhere (including but not limited to, the United States), and to fulfil our obligations under any reporting agreement entered into with any tax authority or revenue service(s) from time to time; or
 9. to contact Customer in accordance with (and subject to) this Clause ("Purpose").
 5. For these Purposes, IB UK, IB LLC, and their Affiliates may transfer or disclose ("Disclosure") Personal Information:
 1. to other members of the Interactive Brokers Group or any connected company, wherever located throughout the world;
 2. to any person or organization acting on behalf of or engaged by IB UK, IB LLC or any of their Affiliates to perform, or assist in the performance of, its services or to advise them, provided that they will only be given access to the relevant information for that purpose;
 3. to any depository, stock exchange, clearing or settlement system, account controller or other participant in the relevant system, to counterparties, dealers, custodians, intermediaries and others where disclosure is reasonably intended for the purpose of effecting, managing or reporting transactions in connection with the Agreement or establishing a relationship with a view to such transactions; and
 4. to any other person to whom IB UK, IB LLC or any of their Affiliates is permitted to delegate any of their respective functions.

By agreeing to this Agreement, Customer freely consents to the Process and Disclosure of Personal Information and agrees to procure such consent from its directors, officers, employees,

associates, agents, trustees, traders, and representatives. Customer also agrees that the Purposes may be amended to include other uses, transmissions, or disclosures of Personal Information following notification to Customer.

6. Customer understands and accepts that any Personal Information or any other information or documents relating to Customer or Customer's affairs (including Customer's dealings with IB UK and IB LLC) that are disclosed, transmitted or Processed pursuant to this Agreement may be sent outside the U.K., the European Economic Area ("EEA") and/or to persons or entities that are not subject to the same legal or regulatory requirements regarding data protection as are provided by U.K. or European law. These disclosures may involve overseas storage and other overseas transfer, processing and use of Personal Information and disclosure to third parties. In case Personal Information is transferred to countries or territories outside of the EEA that are not recognised by the European Commission as offering an adequate level of data protection, IB UK and its Affiliates have put in place appropriate data transfer mechanisms to ensure Personal Information is protected. Details of the data transfer mechanism can be obtained by contacting the IB UK Data Protection Office at dpo@interactivebrokers.co.uk.
7. IB UK and its Affiliates retain Personal Information in an identifiable form in accordance with our policies. Personal Information is retained as long as necessary to meet legal, regulatory and business requirements. Retention periods may be extended if IB UK or its Affiliates are required to preserve Personal Information in connection with litigation, investigations and other proceedings. To the extent provided by Applicable Regulations, Customer has the right to request access to and rectification or erasure of Customer's Personal Information; to obtain restriction of the processing of Personal Information; to object to the processing of Personal Information; and to data portability. Customer has the right to withdraw consent at any time, subject to Applicable Regulations. Customer should contact the IB UK Data Protection Office at dpo@interactivebrokers.co.uk to exercise any data protection rights. Customer may also lodge a complaint with a privacy supervisory authority if Customer considers that Personal Information has been processed in violation of Applicable Regulations and IB UK and its Affiliates failed to remedy such violation to Customer's reasonable satisfaction

36. Investor Compensation Schemes:

1. Customers who trade certain products on U.S. exchanges in an IB UK account that is carried by IB LLC may be eligible for certain protections with respect to the equity in those accounts which is provided by the U.S. Securities Investor Protection Corporation ("SIPC").
2. Customers also may be eligible for protection afforded by the U.K. Financial Services Compensation Scheme ("FSCS") which compensates private customers in the event that a U.K. company that is engaged in investment business becomes insolvent. However, the extent that Customer seeks, 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 characterized 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 £50,000. Further information about compensation is available from the UK Financial Services Compensation Scheme at <http://www.fscs.org.uk>.

37. Commissions, Fees, and Other Charges:

1. Upon transmission and/or execution of a Customer order, Customer shall pay to IB UK (through direct payment to IB LLC) IB UK's commissions, fees and other charges (collectively, "Charges") as are then set forth on the IB UK website and are in effect at the time such Charges are incurred, which IB UK (through IB LLC) may deduct from Customer's account. IB UK may modify the Charges chargeable to Customer upon notice to Customer made by posting the modified Charges upon the IB UK website.
2. IB UK may share Charges with its Affiliates or other third parties or receive remuneration from them with respect to transactions carried out on Customer's behalf. Details of any such sharing arrangements or remuneration may not be set forth in the relevant confirmation or contract note, but can be made available to Customer upon request.

38. DISCLOSURE STATEMENT: THIS STATEMENT IS FURNISHED TO YOU BECAUSE CFTC RULE 190.10(c) OF THE U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC") REQUIRES IT FOR REASONS OF FAIR NOTICE UNRELATED TO IB UK'S CURRENT FINANCIAL CONDITION:

1. 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 CUSTOMERS.
2. NOTICE CONCERNING THE TERMS FOR THE RETURN OF SPECIFICALLY IDENTIFIABLE PROPERTY WILL BE MADE BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION.
3. THE CFTC'S REGULATIONS CONCERNING BANKRUPTCIES OF COMMODITY BROKERS CAN BE FOUND AT 17 U.S. CODE OF FEDERAL REGULATIONS PART 190.

39. Privacy Policy: Customer represents that Customer has read and understood the information contained in the "Interactive Brokers Group Privacy Policy" ("IBG Privacy Policy"), attached hereto, and consents to the

collection and use of the personal information that Customer has shared with IB UK, IB LLC and its Affiliates in accordance therewith. Customer further consents to the receipt of annual notice of the IBG Privacy Policy via the IB UK website and shall monitor the IB UK website for revisions to the IBG Privacy Policy.

40. Complaint Procedures: A summary of IB UK's Internal Complaint Handling Procedures shall be made available to Customers through the IB UK website. All formal complaints should be made using one of the following means:

1. by WebTicket in Account Management on the IB UK website;
2. by letter to Complaints Handling, Compliance Department, Interactive Brokers (U.K.) Limited, Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY, United Kingdom;
3. by fax to 0044 207 796 4735.

41. Governing Law and Jurisdiction:

1. Customer irrevocably agrees that this Agreement shall be governed by, and construed in accordance with, the laws of England without giving effect to conflicts of law provisions. Customer also irrevocably agrees 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 Customer's accounts and irrevocably submits to the jurisdiction of such courts. Customer waives any objection which it may have, at any time, to the bringing of any proceedings in any such court and agrees 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 IB UK or any of its Affiliates from bringing an action in any court of any other jurisdiction, in their discretion.
2. **IN ALL JUDICIAL ACTIONS, ARBITRATIONS, OR DISPUTE RESOLUTION METHODS, THE PARTIES WAIVE ANY RIGHT TO PUNITIVE DAMAGES.**

42. Miscellaneous:

1. English Language: Customer agrees to the provision of this Agreement in the English language and represents that Customer understands all of the terms and conditions contained herein.
2. Headings: Headings are for ease of reference only and do not form part of this Agreement.
3. Entire Agreement: This Agreement contains the entire agreement between the parties, who have made no representations or warranties other than as expressly provided therein.
4. Severability: If any provision of this Agreement is deemed unenforceable, such provision shall be ineffective only to the extent of such unenforceability, without invalidating the remaining provisions of this Agreement.
5. No Waiver: The failure of IB UK or IB LLC 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.
6. Assignment: Subject to applicable regulations, upon notice to Customer, IB UK (or in the case of the provisions of Section 10 of this Agreement, IB LLC) may assign this Agreement to another duly registered or authorized broker-dealer, futures commission merchant or comparable investment professional.
7. Successors and Assigns: This Agreement shall inure to the benefit of IB UK's and IB LLC's successors and assigns and binds Customer's successors and assigns. Customer may not assign or transfer any rights or obligations hereunder without the prior written consent of IB UK (or, in the case of the provisions of Section 10 of this Agreement, IB LLC). In the event of any assignment or transfer of this Agreement, or any of Customer's rights hereunder, the assignee or transferee shall be liable for all of Customer's past and present debts and obligations to IB UK, IB LLC and their Affiliates.
8. Third Party Rights: Aside from IB UK'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.

43. Arbitration:

1. This Agreement contains a predispute arbitration clause which is located immediately below in this section on this page. By signing an arbitration agreement, the parties agree as follows:
 1. **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.**
 2. **ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
 3. **THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.**
 4. **THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR**

AWARD.

5. **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
 6. **THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION.**
 7. **IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**
 8. **THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO SHALL BE INCORPORATED INTO THIS AGREEMENT.**
2. **Disputes with IB UK:** Any controversy or claim between IB UK or any of its respective directors, officers, shareholders, employees, associates or agents, on the one hand, and Customer or, if applicable, Customer's directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other Agreement between Customer and IB UK, any Transaction under such agreements, or any of Customer's accounts, may be settled by arbitration, in accordance with the rules then prevailing of any one of the following arbitration schemes, as Customer may elect and to the extent that the claim or controversy properly falls within the scope of the arbitration scheme:
1. 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) The New York Stock Exchange; (c) if the dispute involves IB LLC, any exchange of which IB LLC is a member, or (d) FINRA;
 2. 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 IB UK. A "qualified forum" is an organization whose procedures for conducting arbitration comply with the requirements of CFTC Rules;
 3. In any other type of dispute, the arbitration schemes of: (a) The American Arbitration Association; (b) any exchange of which IB UK is a member; or (c) a securities or futures association, as applicable; or
 4. In certain cases, the UK Financial Ombudsman Service ("FOS") or any other arbitration forum that IB UK may suggest.
3. **Disputes with IB LLC:**
1. Any controversy or claim between IB LLC or its directors, officers, shareholders, employees, associates or agents, on the one hand, and Customer or, if applicable, Customer's directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other agreement between Customer and IB LLC, any Transaction under such agreements or any of Customer's accounts shall be settled as follows:
 1. **Securities/Equity Options Accounts:** If the controversy, dispute, claim or grievance involves Customer's securities/equity options account:
 1. Customer agrees that any dispute, controversy, claim or grievance between IB LLC or any of its directors, officers, shareholders, employees, associates, agents or Affiliates (other than IB UK) on the one hand, and Customer or, if applicable, Customer's directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other agreement between Customer and IB LLC or IB LLC's Affiliates (except IB UK), any Transaction thereunder, or any of Customer's accounts shall be settled by arbitration, in accordance with the rules then prevailing of any one of the following: (1) The American Arbitration Association; (2) The New York Stock Exchange, Inc.; (3) any other exchange of which IB LLC (or the IB LLC Affiliate, as the case may be) is a member; or (4) any other arbitration venue agreed to by IB LLC, as the true claimant-in-interest may elect. If Customer is the true claimant-in-interest and has not selected an arbitration forum within ten [10] days of providing the Customer's intent to arbitrate, then IB LLC (or its Affiliate, as the case may be) shall select the forum. 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.
 2. 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, 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:
 - The class certification is denied;
 - The class is decertified; or
 - The customer is excluded from the class by the court.

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.

2. **Futures Accounts:** If dispute, controversy, claim or grievance involves a futures/options on futures account, Customer agrees to the following:
 1. Except as provided below, Customer agrees that any dispute, controversy, claim or grievance between IB LLC or any of its directors, officers, shareholders, employees, associates, agents or Affiliates (other than IB UK) on the one hand, and Customer or, if applicable, Customer's directors, officers, shareholders, employees, associates, agents, or trustees, on the other hand, arising out of, or relating to, this Agreement, any other agreement between Customer and IB LLC or IB LLC's Affiliates (except IB UK), any Transaction thereunder, or any of Customer's 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. If, by reason of any applicable statute, regulation, exchange rules, or otherwise, Customer's advance agreement to submit a controversy or claim to arbitration would not be enforceable by IB LLC or its Affiliate, as the case may be, this provision shall not permit Customer to enforce the advance agreement of IB LLC or its Affiliate to submit to arbitration. 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.
 2. At such time as Customer notifies IB LLC or IB LLC's Affiliate that Customer intends to submit a controversy to arbitration, or at such times as IB LLC or IB LLC's Affiliate notifies Customer that IB LLC or its Affiliate intends to submit a controversy to arbitration, Customer will have the opportunity to choose a forum from a list of three or more qualified forums provided by IB LLC or the Affiliate. A "qualified forum" is an organization whose procedures for conducting arbitrations comply with the requirements of the Commodity Futures Trading Commission ("CFTC") Rules.
 3. As required by CFTC Rules, IB LLC 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 Customer has 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.
 4. In connection with this arbitration agreement, IB LLC is required to furnish to Customer the following statement, pursuant to CFTC Rules (for the purposes of the following, "you" or "your" means Customer):

THREE FORUMS EXIST FOR THE RESOLUTION OF COMMODITY DISPUTES: CIVIL COURT LITIGATION, REPARATIONS AT THE COMMODITY FUTURES TRADING COMMISSION ("CFTC"), AND ARBITRATION CONDUCTED BY A SELF-REGULATORY OR OTHER PRIVATE ORGANIZATION. THE CFTC RECOGNIZES THAT THE OPPORTUNITY TO SETTLE DISPUTES BY ARBITRATION MAY IN SOME CASES PROVIDE MANY BENEFITS TO CUSTOMERS, INCLUDING THE ABILITY TO OBTAIN AN EXPEDITIOUS AND FINAL RESOLUTION OF DISPUTES WITHOUT INCURRING SUBSTANTIAL COSTS. THE CFTC REQUIRES, HOWEVER, THAT EACH CUSTOMER 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 IB LLC 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 IB LLC 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.

YOU NEED NOT SIGN THIS ARBITRATION AGREEMENT TO OPEN AN ACCOUNT WITH IB LLC.

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

BY SIGNING THIS AGREEMENT, I ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS AN OPTIONAL PRE-DISPUTE ARBITRATION CLAUSE SET FORTH IN THE SECTION ABOVE AND THAT I HAVE RECEIVED, READ AND UNDERSTOOD THE TERMS THEREOF.

ADDENDUM 1

WARRANTS AND DERIVATIVES RISK WARNING NOTICE

This notice is provided to you, as a private customer, in compliance with the rules of The Financial Conduct Authority (FCA). Private customers are afforded greater protections under these rules than other customers are and you should ensure that your firm tells you what this means to you. This notice cannot disclose all of the risks and other significant aspects of warrants and/or derivative products such as futures, options, and contracts for differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle," may be as risky as a simple "long" or "short" position.

Although warrants and/or derivative instruments can be utilized for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

1. 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").

2. Off-Exchange Transactions

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to the 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. Your firm must make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.

3. Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 8.

4. 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.

5. Contracts for Differences

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 3 and 4 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implication of this as set out in paragraph 8.

6. 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. Your firm must make it clear to you if you are entering into 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.

7. Foreign markets

Foreign markets will involve different risks from the U.K. markets. In some cases the risks will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. 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.

8. 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 your firm 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. Save as specifically provided by the FCA, your firm may only carry out margined or contingent liability transactions with you or for you if they are traded on or under the rules of a recognized or designated investment exchange. Contingent liability investment transactions which are not so traded may expose you to substantially greater risks.

9. Collateral

If you deposit collateral as security with your firm, 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 recognized 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. You should ascertain from your firm how your collateral will be dealt with.

10. 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.

11. 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.

12. Clearing house protections

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

ADDENDUM 2

CUSTOMER CONSENT TO ACCEPT ELECTRONIC RECORDS AND COMMUNICATIONS

In the interests of timeliness, efficiency and lower costs for its Customers, Interactive Brokers U.K. Limited ("IB UK") and its affiliated companies including, but not limited to, Interactive Brokers LLC ("IB LLC") (collectively, "Affiliates") provide electronic notices, messages, trade confirmations, account statements, proxy materials, key information documents ("KIDs") under the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIPs") records and other Customer 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 Customer's Trader Workstation ("TWS") or to Customer's e-mail address or for security purposes may be posted on the IB UK website or on the secure website of one of IB UK's service providers and Customer will need to login and retrieve the Records and Communications.

By entering into this Agreement, Customer consents to the receipt of electronic Records and Communications regarding this Agreement, any other agreement between Customer and IB UK, IB LLC or their Affiliates, all Customer Transactions under such agreements, all of Customer's accounts and all of Customer's dealings with IB UK, IB LLC or their Affiliates, including Records and Communications of any kind. Customer may withdraw such consent at any time by an e-mail addressed to the IB Customer Service Department at help@interactivebrokers.com. If Customer withdraws such consent, however, IB UK reserves the right to require Customer to close Customer's account.

In order to trade using the IB UK TWS, and to receive Records and Communications through the TWS, there are certain system hardware and software requirements, which are described on the IB UK website at www.interactivebrokers.co.uk. Since these requirements may change, Customer must periodically refer to the IB UK website for current system requirements. To receive electronic mail from IB UK, Customer is responsible for maintaining a valid Internet e-mail address and software allowing customer to read, send and receive e-mail. Customer must notify IB UK immediately of a change in Customer's e-mail address by: (i) using those procedures to change a Customer e-mail address that may be available on the IB UK website or (ii) contacting the IB Customer Service Department at help@interactivebrokers.com for further instructions.

ADDENDUM 3

INTERACTIVE BROKERS GROUP PRIVACY POLICY

At Interactive Brokers, we understand that confidentiality and security of the personal information ("Personal Information") that you share with us is important. The Interactive Brokers Group affiliates (collectively, "IBKR"), are committed to protecting the privacy of Personal Information, including Personal Information related to individuals who may be customers, employees, agents, job applicants or others inside or outside of IBKR. That is why we have developed specific policies and practices designed to protect the privacy of your Personal Information. By opening an account at IBKR or by utilizing the products, services and applications available through IBKR, you have consented to the collection and use of your Personal Information in accordance with this privacy policy ("Privacy Policy" or "Policy"). We encourage you to read this Privacy Policy carefully.

This Policy is based on the privacy and data protection principles common to the countries in which we operate. This Policy is intended to summarize IBKR's data protection practices generally and to advise our customers, prospective customers, job applicants, website visitors and other third parties about IBKR's privacy policies that may be applicable to them.

This Policy is specifically addressed to those who provide Personal Information to IBKR or who visit or use IBKR's websites, trading platforms, software application and social media sites.

Who is responsible for your Personal Information?

IBKR is responsible for the Personal Information that we may collect in the manner discussed below. IBKR includes: Interactive Brokers LLC, One Pickwick Plaza, Greenwich, CT 06830 United States; Interactive Brokers (U.K.) Limited, (03958476) a Private Limited Company with registered office address, Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY; and their respective affiliates (the "IBKR Entities"). Specifically, your Personal Information will be controlled by the IBKR Entity that is providing services or communication to you. In some instances your Personal Information will be controlled by more than one IBKR Entity.

How do we collect your Personal Information and what Personal Information do we collect?

IBKR collects and processes Personal Information from you. This may include, among other things, information:

- provided during the IBKR account application process or during use of any of IBKR's website applications (for example, your name, email address, telephone number, birth date, tax ID number, investment objectives, etc.);
- acquired as a result of the transactions you conduct through the IBKR systems or in connection with services offered by IBKR (for example, if you participate in IBKR's debit card program);
- received from consumer-reporting agencies;
- collected through Internet cookies (for further information on our use of cookies, please see our Cookie Policy).

Are you required to provide Personal Information?

In order for you to utilize our services, you will provide us with your Personal Information entirely voluntarily. In most circumstances IBKR cannot take action without utilizing certain of your Personal Information, for example, because this Personal Information is required to process your instructions or orders or provide you with access to our services or marketing materials. In most cases, it will be impossible for us to provide the services to you without the relevant Personal Information.

For what purposes will we use your Personal Information?

We may use your Personal Information for the following purposes ("Permitted Purposes"):

- To provide you with brokerage and other services available on our platforms, and/or to deal with any requests or inquiries you may have;
- To pursue legitimate interests, including to carry out, monitor and analyze our business or operations;
- To conduct our recruiting processes;
- To contact you (unless you tell us that you prefer us not to) regarding features and functionality that may be of interest to you;
- To enter into or carry out contracts of various kinds;
- To conduct monitoring by us or any other person on our behalf using various methods, including: (i) the use of "intelligent" automated monitoring tools; or (ii) through random monitoring of systems, for example systematically via electronic communication recording tools; (iii) specific monitoring of systems for example in relation to investigations, regulatory requests, subject access requests, litigation, arbitration or mediation or; (iv) data tracking, aggregation and analysis tools that pull data from various disparate data sources to draw linkages and/or detect behavioral patterns, interactions or preferences for analysis (including predictive analysis); and/or (v) using other similar monitoring technology that may become available from time to time;
- To comply with applicable laws or regulations in any country;
- For any other purpose for which your Personal Information was provided to us.

We may also process your Personal Information for the following purposes after obtaining your express consent where legally required:

- To communicate with you through the channels you have approved to keep you up to date on the latest developments, announcements and other information about IBKR services, products and technologies;
- To conduct customer surveys, marketing campaigns, market analysis, or promotional activities;
- To collect information about your preferences to create a user profile to personalize and foster the quality of our communication and interaction with you (for example, by way of newsletter tracking or website analytics).

Where legally required, with regard to marketing-related communication, we will only provide you with such information after you have opted in and we will also provide you with the opportunity to opt out at any time if you do not wish to receive further marketing-related communication from us. We like to keep our customers, personnel and other interested parties informed of company developments, including news relating to IBKR that we believe is of interest to them. If you do not wish to receive publications or details of events or seminars that we consider may be of interest to you, please let us know by following this link: <https://www.interactivebrokers.com/en/index.php?f=464>. Where legally required, we will not use your Personal Information for taking any automated decisions affecting you or creating profiles other than described above.

Depending on which of the above Permitted Purposes we use your Personal Information for, we may process your Personal Information on one or more of the following legal grounds:

- Because processing is necessary for the performance of a client instruction or other contract with you or your organization;
- To comply with our legal obligations (for example, to keep pension records or records for tax purposes);
- Because processing is necessary for the purposes of our legitimate interest or those of any third party recipients that receive your Personal Information, provided that such interests are not overridden by your interests or fundamental rights and freedoms.
- Because processing is useful or necessary in our discretion, and is not prohibited under the law of the relevant jurisdiction.

In addition, the processing may be based on your consent where you have expressly given that to us.

Who we share your Personal Information with, and in what circumstances

We may share your Personal Information in the following circumstances:

- We may share your Personal Information between the IBKR Entities on a confidential basis as allowed by applicable law or where required for the purpose of providing products or services and for administrative, billing and other business purposes. A list of the countries in which IBKR Entities are located can be found on our website;
- We may instruct service providers within or outside of IBKR, domestically or abroad, to process Personal Information for the Permitted Purposes on our behalf and in accordance with our instructions. For example, if you choose to subscribe to any services provided by a third-party provider listed on an Interactive Brokers Investors' Marketplace, we may disclose such information to the service providers as necessary for them to provide the services that you have requested. IBKR generally requires these service providers to enter into confidentiality agreements with IBKR that limit their use of the information that they receive. Such agreements prohibit the service provider from using IBKR customer information that they receive other than to carry out the purposes for which the information was disclosed. If required by law, IBKR will retain control over and will remain responsible for your Personal Information and will use appropriate safeguards to ensure the integrity and security of your Personal Information when engaging service providers;
- We may share your Personal Information with companies providing services in the areas of fraud and crime prevention and with companies providing similar services, including financial institutions such as credit reference agencies and regulatory bodies;
- We may share your data with third parties to assist us with the conduct of our recruitment processes;
- Consistent with applicable law, we may share your Personal Information with courts, law enforcement authorities, regulators or attorneys or other parties for the establishment, exercise or defence of a legal or equitable claim or for the purposes of a confidential alternative dispute resolution process;
- We may also use aggregated Personal Information and statistics for the purpose of monitoring website usage in order to help us develop our website and our services.

Otherwise, we will only disclose your Personal Information when you direct us or give us permission to do so, when we are allowed or required by applicable law or regulations or judicial or official request to do so, or as required to investigate actual or suspected fraudulent or criminal activities.

Personal Information about other people that you provide to us

If you provide Personal Information to us about someone else (such as one of your directors or employees or someone with whom you have business dealings), you must ensure that you are entitled to disclose that Personal Information to us and that, without our taking any further steps, we may collect, use and disclose that Personal Information as described in this Privacy Policy. In particular, you must ensure that the individual concerned is aware of the various matters detailed in this Privacy Policy, as those matters relate to that individual, including our identity, how to contact us, our purposes of collection, our Personal Information disclosure practices (including disclosure to overseas recipients), any right the individual may have to obtain access to the Personal Information and make complaints about the handling of the Personal Information and the consequences if the Personal Information is not provided (such as our inability to provide services).

Keeping Personal Information about you secure

To the extent required by law, we will take appropriate technical and organizational measures to keep your Personal Information confidential and secure in accordance with our internal procedures covering the storage, disclosure of and access to Personal Information. Personal Information may be kept on our Information Technology systems, those of our contractors or in paper files.

Transferring your Personal Information outside the EEA (if GDPR applies)

For Personal Information subject to the General Data Protection Regulation (EU) 2016/679 ("GDPR") we may transfer your Personal Information outside the EEA for the Permitted Purposes as described above. This may include countries that do not provide the same level of protection as the laws of your home country (for example, the laws within the EEA or the United States). We will ensure that any such international transfers are made subject to appropriate or suitable safeguards if required by the GDPR or other relevant laws. You may contact us at any time using the contact details below if you would like further information on such safeguards.

With respect to persons covered by GDPR, in case Personal Information is transferred to countries or territories outside of the European Economic Area ("EEA") that are not recognized by the European Commission as offering an adequate level of data protection, we have put in place appropriate data transfer mechanisms to ensure Personal Information is protected.

Updating your Personal Information

If any of the Personal Information that you have provided to us changes, for example if you change your email address or if you wish to cancel any request that you have made of us, please let us know by contacting IBKR Customer Service through the IBKR website at [interactivebrokers.com/help](https://www.interactivebrokers.com/help). We will not be responsible for any losses arising from any inaccurate, inauthentic, deficient or incomplete Personal Information that you provide to us.

How long do we retain your Personal Information?

We retain your Personal Information in an identifiable form in accordance with our internal policies which establish general standards and procedures regarding the retention, handling and disposition of your Personal Information. Personal Information is retained for as long as necessary to meet legal, regulatory and business requirements. Retention periods may be extended if we are required to preserve your Personal Information in connection with litigation, investigations and proceedings.

Further rights for persons or information covered by GDPR

With respect to EEA residents and where your Personal Information is processed by an IBKR Entity established in the EEA ("Covered Individuals").

If you are a Covered Individual you have a number of legal rights under GDPR in relation to the Personal Information that we hold about you. These rights include:

- Obtaining information regarding the processing of your personal information and access to the personal information that we hold about you. Please note that there may be circumstances in which we are entitled to refuse requests for access to copies of personal information, (in particular, information that is subject to legal professional privilege);
- Requesting that we correct your personal information if it is inaccurate or incomplete;
- Requesting that we erase your personal information in certain circumstances. Please note that there may be circumstances where you ask us to erase your personal information but we are legally entitled to retain it;
- Objecting to, and requesting that we restrict, our processing of your personal information in certain circumstances. Again, there may be circumstances where you object to, or ask us to restrict, our processing of your personal information but we are legally entitled to refuse that request;
- Withdrawing your consent, although in certain circumstances it may be lawful for us to continue processing without your consent if we have another legitimate reason (other than consent) for doing so.

We have designated a Data Protection Officer ("DPO") to enhance and promote compliance with and understanding of privacy and data protection principles. If you wish to do any of the above please send an email to dpo@interactivebrokers.co.uk.

We may request that you prove your identity by providing us with a copy of a valid means of identification in order for us to comply with our security obligations and to prevent unauthorized disclosure of data. We reserve the right to charge you a reasonable administrative fee for any manifestly unfounded or excessive requests concerning your access to your data and for any additional copies of the Personal Information you request from us.

We will consider any requests or complaints that we receive and provide you with a response in a timely manner. If you are not satisfied with our response, you may take your complaint to the relevant privacy regulator. We will provide you with details of your relevant regulator upon request.

Updates to this Privacy Policy

This Privacy Policy was last updated on 17 May 2018. We reserve the right to update and change this Privacy Policy from time to time, for example, in order to reflect any changes to the way in which we process your Personal Information or changing legal requirements. In case of any such changes, we will post the changed Privacy Policy on our website or publish it otherwise. The changes will take effect as soon as they are posted on our website.

How to contact us

We welcome your views about our website and our Privacy Policy. If you have any questions about this Policy, please contact the Data Protection Office at dpo@interactivebrokers.co.uk or please contact IB Customer Service through the IB website at interactivebrokers.com/help.

IB can maintain its low commission structure because we have built automated trade processes to minimize human intervention and discretion. In this respect, we have established some simple terms which govern trading in all IB accounts. These rules recognize that from time to time, due to their nature, electronic systems, which often rely on third party connectivity, may fail or be delayed and exchanges and data providers may make errors.

1. I am obligated to accept all executions that are consistent with the instructions specified in my orders.

2. Although we believe our failure rate is among the lowest in the industry, any system may fail at one time or another, often by reason of forces beyond human control. IB is not liable for system or network failures, and customers who require the highest level of reliability, agree to maintain secondary trading facilities.

3. Customers are responsible for protecting the secrecy of their usernames and passwords, and they will be responsible for trades entered by third parties using their usernames and passwords.

4. In the event trades are confirmed by IB as executed, and they are later cancelled by an exchange, trading network or regulatory authority, the IB confirmed trade will also be deemed cancelled.

5. IB generally processes orders in the order in which it receives them, including all orders submitted by IB or its affiliates.

6. IB is not responsible for ensuring the execution of orders at limit prices if the order's transmission is delayed or is otherwise affected by data communication failure.

7. IB does not provide trading, investment or tax advice, and customers shall not rely on statements by IB employees which purport to provide such advice.

8. IB generally does not make margin calls, and IB maintains the right to immediately close out positions, without notice or liability, in any account that does not have sufficient funds to meet the margin requirements imposed by it or regulatory authorities. At its sole discretion given the market or other factors, IB may choose to make a margin call and/or may not liquidate account positions. If you receive a margin call you are required to immediately deposit funds to cover the deficiency.

9. IB customers are responsible to IB for the continued accuracy and updating of all information provided to IB.

10. IB customers agree to keep IB informed of their current email address, so they will be in a position to read and receive emails addressed to them by IB.



Certification Regarding Trading Control and Ownership of the Account

- As a regulated securities and commodity futures broker, Interactive Brokers is required to know who controls the day to day trading in each customer account and who owns a significant ownership interest in each account.
- Account holder certifies that account holder is the sole owner of all assets in the account.
- Account holder certifies that account holder is the only person with trading control over the account unless account holder grants trading authority to additional persons by using the proper forms provided on the Interactive Brokers website.



ORDER EXECUTION POLICY FOR DIRECT CARRIED-CLIENT OF INTERACTIVE BROKERS (U.K.) LIMITED - CLIENT CONSENT

Interactive Brokers (U.K.) Limited ("IB UK") carried-account clients are requested to read and consent to our Order Execution Policy, a copy of which may be found [here](#).

By electronically accepting this document, you are acknowledging the following:

1. I have read the Order Execution Policy and provided my consent to it.
2. I understand that under the Order Execution Policy the best possible order execution result will be determined primarily in terms of "Total Consideration". Total Consideration is the price of the relevant financial instrument, plus the costs related to execution. I understand that total consideration is the prioritised factor where the "Cost-Considered when Routing" functionality is active in the IB trading platforms. Otherwise SmartRouting will direct the order to the venue providing the best price.
3. I understand that there is a possibility that my orders may be executed outside of a trading venue and I consent to IB UK executing my orders outside of a trading venue.
4. In the event I place with IB UK a limit order in respect of shares admitted to trading on a [regulated market](#) which is not immediately executed under prevailing market conditions, I hereby instruct IB UK not to make the order public immediately where IB UK considers it appropriate not to do so.

I agree to the Order Execution Policy.



RISK DISCLOSURE STATEMENT FOR FOREX TRADING AND IB MULTI-CURRENCY ACCOUNTS

Rules of the U.S. National Futures Association ("NFA") require Interactive Brokers ("IB") to provide you with the following Risk Disclosure Statement:

RISK DISCLOSURE STATEMENT

OFF-EXCHANGE FOREIGN CURRENCY ("FOREX") TRANSACTIONS INVOLVE THE LEVERAGED TRADING OF CONTRACTS DENOMINATED IN FOREIGN CURRENCY CONDUCTED WITH A FUTURES COMMISSION MERCHANT OR A RETAIL FOREIGN EXCHANGE DEALER AS YOUR COUNTERPARTY. BECAUSE OF THE LEVERAGE AND THE OTHER RISKS DISCLOSED HERE, YOU CAN RAPIDLY LOSE ALL OF THE FUNDS YOU DEPOSIT FOR SUCH TRADING AND YOU MAY LOSE MORE THAN YOU DEPOSIT.

YOU SHOULD BE AWARE OF AND CAREFULLY CONSIDER THE FOLLOWING POINTS BEFORE DETERMINING WHETHER SUCH TRADING IS APPROPRIATE FOR YOU.

(1) TRADING IS NOT ON A REGULATED MARKET OR EXCHANGE—YOUR DEALER IS YOUR TRADING PARTNER WHICH IS A DIRECT CONFLICT OF INTEREST. BEFORE YOU ENGAGE IN ANY RETAIL FOREIGN EXCHANGE TRADING, YOU SHOULD CONFIRM THE REGISTRATION STATUS OF YOUR COUNTERPARTY.

The off-exchange foreign currency trading you are entering into is not conducted on an interbank market, nor is it conducted on a futures exchange subject to regulation as a designated contract market by the Commodity Futures Trading Commission ("CFTC"). The foreign currency trades you transact are trades with the futures commission merchant or retail foreign exchange dealer as your Counterparty. WHEN YOU SELL, THE DEALER IS THE BUYER. WHEN YOU BUY, THE DEALER IS THE SELLER. As a result, when you lose money trading, your dealer is making money on such trades, in addition to any fees, commissions, or spreads the dealer may charge.

(2) AN ELECTRONIC TRADING PLATFORM FOR RETAIL FOREIGN CURRENCY TRANSACTIONS IS NOT AN EXCHANGE. IT IS AN ELECTRONIC CONNECTION FOR ACCESSING YOUR DEALER. THE TERMS OF AVAILABILITY OF SUCH A PLATFORM ARE GOVERNED ONLY BY YOUR CONTRACT WITH YOUR DEALER.

Any trading platform that you may use to enter off-exchange foreign currency transactions is only connected to your futures commission merchant or retail foreign exchange dealer. You are accessing that trading platform only to transact with your dealer. You are not trading with any other entities or customers of the dealer by accessing such platform. The availability and operation of any such platform, including the consequences of the unavailability of the trading platform for any reason, is governed only by the terms of your account agreement with the dealer.

(3) YOUR DEPOSITS WITH THE DEALER HAVE NO REGULATORY PROTECTIONS.

All of your rights associated with your retail forex trading, including the manner and denomination of any payments made to you, are governed by the contract terms established in your account agreement with the futures commission merchant or retail foreign exchange dealer. Funds deposited by you with a futures commission merchant or retail foreign exchange dealer for trading off-exchange foreign currency transactions are not subject to the customer funds protections provided to customers trading on a contract market that is designated by the CFTC. Your dealer may commingle your funds with its own operating funds or use them for other purposes. In the event your dealer becomes bankrupt, any funds the dealer is holding for you in addition to any amounts owed to you resulting from trading, whether or not any assets are maintained in separate deposit accounts by the dealer, may be treated as an unsecured creditor's claim.

(4) YOU ARE LIMITED TO YOUR DEALER TO OFFSET OR LIQUIDATE ANY TRADING POSITIONS SINCE THE TRANSACTIONS ARE NOT MADE ON AN EXCHANGE OR MARKET, AND YOUR DEALER MAY SET ITS OWN PRICES.

Your ability to close your transactions or offset positions is limited to what your dealer will offer to you, as there is no other market for these transactions. Your dealer may offer any prices it wishes, and it may offer prices derived from outside sources or not in its discretion. Your dealer may establish its prices by offering spreads from third party prices, but it is under no obligation to do so or to continue to do so. Your dealer may offer different prices to different customers at any point in time on its own terms. The terms of your account agreement alone govern the obligations your dealer has to you to

offer prices and offer offset or liquidating transactions in your account and make any payments to you. The prices offered by your dealer may or may not reflect prices available elsewhere at any exchange, interbank, or other market for foreign currency.

(5) PAID SOLICITORS MAY HAVE UNDISCLOSED CONFLICTS

The futures commission merchant or retail foreign exchange dealer may compensate introducing brokers for introducing your account in ways which are not disclosed to you. Such paid solicitors are not required to have, and may not have, any special expertise in trading, and may have conflicts of interest based on the method by which they are compensated. Solicitors working on behalf of futures commission merchants and retail foreign exchange dealers are required to register. You should confirm that they are, in fact registered. You should thoroughly investigate the manner in which all such solicitors are compensated and be very cautious in granting any person or entity authority to trade on your behalf. You should always consider obtaining dated written confirmation of any information you are relying on from your dealer or a solicitor in making any trading or account decisions.

FINALLY, YOU SHOULD THOROUGHLY INVESTIGATE ANY STATEMENTS BY ANY DEALERS OR SALES REPRESENTATIVES WHICH MINIMIZE THE IMPORTANCE OF, OR CONTRADICT, ANY OF THE TERMS OF THIS RISK DISCLOSURE. SUCH STATEMENTS MAY INDICATE POTENTIAL SALES FRAUD.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF TRADING OFF-EXCHANGE FOREIGN CURRENCY TRANSACTIONS WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER.

PERFORMANCE OF INTERACTIVE BROKERS RETAIL CUSTOMER FOREX ACCOUNTS FOR THE PAST FOUR CALENDAR QUARTERS:

The table below sets forth the percentage of non-discretionary retail forex customer accounts maintained by Interactive Brokers LLC that were profitable and unprofitable for the past four calendar quarters. The accounts were identified and these statistics were calculated according to the definitions and interpretations set forth by the CFTC and NFA¹.

TIME PERIOD	NUMBER OF ACCOUNTS	PERCENTAGE OF PROFITABLE ACCOUNTS	PERCENTAGE OF UNPROFITABLE ACCOUNTS
Q2 2020	29,549	46.82%	53.18%
Q1 2020	28,769	42.48%	57.52%
Q4 2019	28,308	50.78%	49.22%
Q3 2019	28,171	42.26%	57.74%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

FURTHER INFORMATION PROVIDED BY INTERACTIVE BROKERS:

A. Overview: Interactive Brokers Multi-Currency enabled accounts allow IB Customers to trade investment products denominated in different currencies using a single IB account denominated in a "base" currency of the customer's choosing. IB Customers can also use their Multi-Currency enabled accounts to conduct foreign exchange transactions in order to manage credits or debits generated by foreign securities, options or futures trading, to convert such credits or debits back into the Customer's base currency, or to hedge or speculate. IB foreign exchange transactions offered to retail customers are forex spot transactions.

B. Nature of Your Account and Whether SIPC Covers Foreign Currency: Foreign currency trading at Interactive Brokers takes place in a securities account. Your IB securities account is governed by rules of the U.S. Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority. In addition, IB observes the rules of the National Futures Association in connection with foreign currency trading.

Interactive Brokers LLC is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects cash and securities held with Interactive Brokers as specified in the Securities Investor Protection Act. SIPC protects cash, including US dollars and foreign currency, to the extent that the cash was deposited with Interactive Brokers for the purpose of

purchasing securities. Whether foreign currency in your IB account would be protected by SIPC would depend in part on whether the cash was considered to be deposited with Interactive Brokers for the purpose of purchasing securities. Interactive Brokers expects that at least one factor in deciding this would be whether and the extent to which the customer engages in securities trading in addition to or in conjunction with forex trading, but, as discussed in section 3 above, funds deposited specifically for forex trading have no regulatory protections under NFA rules or CFTC regulations. For further information, you must contact your own legal counsel or SIPC.

Customer money held in the securities account is subject to Securities Exchange Act Rule 15c3-3 governing customer reserve requirements. Although relevant regulations only require computation of the 15c3-3 reserve requirement and associated segregation of customer funds to be performed weekly, IB performs such calculations and segregation on a daily basis.

C. General Risk: Customer understands and acknowledges that buying and selling securities, options, futures and other financial products that are denominated in foreign currencies or traded on foreign markets is inherently risky and requires substantial knowledge and expertise. Customers applying for Interactive Brokers Multi-Currency enabled accounts represent that they are aware of and understand the risks involved in trading foreign securities, options, futures and currencies and that they have sufficient financial resources to bear such risks.

D. Customer Responsibility for Investment Decisions: Customer acknowledges that IB representatives are not authorized to provide investment, trading or tax advice and therefore will not provide advice or guidance on trading or hedging strategies in the Multi-Currency enabled account. Customers must evaluate carefully whether any particular transaction is appropriate for them in light of their investment experience, financial objectives and needs, financial resources, and other relevant circumstances and whether they have the operational resources in place to monitor the associated risks and contractual obligations over the term of the transaction. In making these assessments, IB strongly recommends that Customers obtain independent business, legal, and accounting advice before entering into any transactions.

E. Exchange Rate Risk: Exchange rates between foreign currencies can change rapidly due to a wide range of economic, political and other conditions, exposing the Customer to risk of exchange rate losses in addition to the inherent risk of loss from trading the underlying financial product. If a Customer deposits funds in a currency to trade products denominated in a different currency, Customer's gains or losses on the underlying investment therefore may be affected by changes in the exchange rate between the currencies. If Customer is trading on margin, the impact of currency fluctuation on Customer's gains or losses may be even greater.

F. Currency Fluctuation: When Customer uses the foreign exchange facility provided by IB to purchase or sell foreign currency, fluctuation in currency exchange rates between the foreign currency and the base currency could cause substantial losses to the Customer, including losses when the Customer converts the foreign currency back into the base currency.

G. Nature of Foreign Currency Exchange Transactions Between Customer and IB: When Customer enters into a foreign exchange transaction with IB, IB, as the counterparty to Customer's trade, may effectuate that transaction by entering into an offsetting transaction with one of IB's affiliates, with another customer that enters quotes into IB's system, or with a third party bank (IB's "Forex Providers"). In such transactions, the Forex Provider is not acting in the capacity of a financial adviser or fiduciary to Customer or to IB, but rather, is taking the other side of IB's offsetting trade in an arm's length contractual transaction. Customer should be aware that the Forex Provider may from time to time have substantial positions in, and may make a market in or otherwise buy or sell instruments similar or economically related to, foreign currency transactions entered into by Customer. IB's Forex Providers may also undertake proprietary trading activities, including hedging transactions related to the initiation or termination of foreign exchange transactions with IB, which may adversely affect the market price or other factors underlying the foreign currency transaction entered into by Customer and consequently, the value of such transaction.

H. Prices on the IB Forex Platforms: The prices quoted by IB to Customers for foreign exchange transactions on IB's IdealPro platform will be determined based on Forex Provider quotes and are not determined by a competitive auction as on an exchange market. Prices quoted by IB for foreign currency exchange transactions therefore may not be the most competitive prices available. For purposes of maintaining adequate scale and competitive spreads, a minimum size is imposed on all IdealPro orders (USD \$25,000 as of June 2020 but this is subject to change at any time). Orders below the minimum size are considered odd lots and limit prices for these odd lot-sized orders are not displayed through IdealPro. Retail leveraged forex orders for odd lot-sized orders are generally executed within 1 pip of the best bid and best offer of the Interbank spread (NBBO). However, if the best quote for such orders is more than 1 pip outside of the NBBO, IB will generally route the order to execute against a bank or dealer bid or offer regardless of the order size in order to get an improved price. Customers may also enter a Request for Quote ("RFQ") on the system. IB will charge transaction fees as specified by IB for foreign currency exchange transactions. IB's Forex Providers will try to earn a spread profit on transactions with IB (differential between the bid and ask prices quoted for various currencies).

I. Price Slippage; Order Cancellation and Adjustment: Prices quoted on IB's system generally reflect the prices at which

IB's Forex Providers are willing to trade. Prices quoted on IB's system reflect changing market conditions and therefore quotes can and do change rapidly. As such, when a Customer order is received and processed by IB's system, the quote on IB's platform may be different from the quote displayed when the order was sent by Customer. This change in price is commonly referred to as "slippage." IB generally will not execute a Customer order at a certain price unless IB is able to trade at that price against one of IB's Forex Providers.

If Customer sends an order for a forex transaction to IB's system but Customer's requested price is no longer available and therefore the order is non-marketable, IB will not execute the order then but will place it in IB's limit order book in accordance with Customer's time-in-force instructions. Other customers can then trade against this order when it becomes the National Best Bid and Offer ("NBBO") or IB may execute the order if it becomes marketable based on prices received from IB's Forex Providers.

If Customer sends an order for a forex transaction to IB's system and the current price is more favorable for Customer than what Customer requested in the order, the order will generally be executed at the available better price.

Although IB attempts to obtain the best price for Customer orders on forex transactions, because of the inherent possibility of transmission delays between and among Customers, IB and Forex Providers, or other technical issues, execution prices may be worse than the quotes displayed on the IB platform.

To execute your order, Interactive Brokers engages in back-to-back transactions with one or more counterparties. These counterparties on occasion may cancel or adjust forex trades with us in the event of market or technical problems. In these cases we may have to cancel or adjust forex trades that you have executed.

J. Other Risks: There are other risks that relate to trading foreign investment products and trading foreign currencies that cannot be described in detail in this document. Generally, however, foreign securities, options, futures and currency transactions involve exposure to a combination of the following risk factors: market risk, credit risk, settlement risk, liquidity risk, operational risk and legal risk. For example, there can be serious market disruptions if economic or political or other unforeseen events locally or overseas affect the market. Also, the settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets. In addition to these types of risk there may be other factors such as accounting and tax treatment issues that Customers should consider.

(1) Information regarding the performance of Interactive Brokers retail forex customers for the past 5 years is available upon request.



DISCLOSURE OF RISKS OF MARGIN TRADING

Interactive Brokers (“IB”) is furnishing this document to you to provide some basic facts about purchasing securities and futures contracts on margin, and to alert you to the risks involved with trading in a margin account. “Margin trading” can mean engaging in a transaction in which securities are purchased partially through a margin loan extended to you by IB, for which the securities act as collateral. Margin trading can also mean trading investment products such as futures or options in which an initial “margin” deposit is made to secure your obligations and further margin may be required to secure your obligations as the value of your positions changes.

This document also describes special risks associated with trading on margin in an IRA account, as described below.

Before trading stocks, futures or other investment products in a margin account, you should carefully review the margin agreement provided by IB and you should consult IB regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from IB. If you choose to borrow funds from IB, you will open a margin account with the firm. The securities purchased are IB’s collateral for the loan to you. If the securities or futures contracts in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, IB can take action, such as sell securities or other assets in any of your accounts held with IB or issue a margin call, in order to maintain the required equity in the account.

You should understand that pursuant to the IB Margin Agreement, IB generally will not issue margin calls, that IB will not credit your account to meet intraday margin deficiencies, and that IB generally will liquidate positions in your account in order to satisfy margin requirements without prior notice to you and without an opportunity for you to choose the positions to be liquidated or the timing or order of liquidation.

In addition, it is important that you fully understand the risks involved in trading securities or futures contracts on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities or futures contracts that are purchased on margin may require you to provide additional funds to IB or you must put up margin to avoid the forced sale of those securities or futures contracts or other assets in your account(s).
- IB can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements, or if IB has higher “house” requirements, IB can sell the securities or futures contracts or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- IB can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not

the case. As noted above, IB generally will not issue margin calls and can immediately sell your securities or futures contracts without notice to you in the event that your account has insufficient margin.

- You are not entitled to choose which securities or futures contracts or other assets in your account(s) are liquidated or sold to meet a margin call. IB has the right to decide which positions to sell in order to protect its interests.
- IB can increase its “house” maintenance margin requirements at any time and is not required to provide you with advance written notice. These changes in firm policy often take effect immediately. Your failure to maintain adequate margin in the event of an increased margin rate generally will cause IB to liquidate or sell securities or futures contracts in your account(s).
- If IB chooses to issue a margin call rather than immediately liquidating undermargined positions, you are not entitled to an extension of time on the margin call.
- Special Risks of Trading on Margin in an IRA Account:
 - **Margin Trading in an IRA Account May Not Be Suitable Depending on Your Financial Circumstances.** Trading requiring margin (including futures trading and short option trading) involves a high degree of risk and may result in a loss of funds greater than the amount you have deposited in your IRA account. You must determine whether trading on margin in an IRA account is advisable based on your financial circumstances, your tolerance for risk, the number of years until your retirement, and other factors. You should consult a professional financial advisor to determine if margin trading in your IRA account is consistent with your financial goals.
 - **You Must Closely Monitor Your Account and Your Trading to Avoid Adverse Tax Consequences:** Trading requiring margin (including futures trading and short option trading) may require the deposit of additional funds to your account to maintain sufficient margin. At the same time, provisions of the Internal Revenue Code place limits on the amount of funds that can be deposited to an IRA account. Deposits to the account in excess of such limits may cause adverse tax consequences, including but not limited to, forfeiture of the tax-advantaged status of the IRA account and/or penalties. As described above, IB will liquidate positions in your account in the event that you cannot or do not deposit sufficient funds to satisfy margin requirements.



OCC RISK DISCLOSURE STATEMENT AND ACKNOWLEDGEMENTS

OCC Risk Disclosure

I acknowledge that:

1. I have received and carefully read each section of, and the supplements to, the Options Clearing Corporation ("OCC") document "Characteristics and Risks of Standardized Options" (the "OCC Risk Disclosure Document") ;
2. I have received and carefully read the "Special Statement for Uncovered Option Writers" (set forth below);
3. I have received and carefully read the " Disclosure Regarding Interactive Brokers' Procedures for Allocating Equity Option Exercise Notices Assigned by OCC" ("IB Exercise Allocation Disclosure"); (Requires Adobe Reader. Download Reader.)
4. I understand the OCC Risk Disclosure Document, the "Special Statement for Uncovered Option Writers" and the IB Exercise Allocation Disclosure, each of which is in a language I fully understand; and
5. If there is any aspect of the OCC Risk Disclosure Document, the "Special Statement for Uncovered Option Writers" or the IB Exercise Allocation Disclosure that I do not understand, I shall consult my independent adviser and obtain a full understanding of such term(s).

Special Statement for Uncovered Option Writers

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
3. Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

Risks of Trading Equity Options and Terms and Conditions for Trading Equity Options

Customers trading equity options understand and agree to the following:

1. Customer understands that trading equity options is highly speculative in nature and involves a high degree of risk.
2. Customer acknowledges that Customer has read and fully understands (a) the current Options Clearing Corporation ("OCC") disclosure document "Characteristics and Risks of Standardized Options" (the "OCC Document") and (b) the "Special Statement for Uncovered Option Writers." Customer agrees to seek clarification of any term, condition or risk contained in either of these documents prior to making such acknowledgment to IB.
3. Customer is financially able to undertake the risks associated with trading equity options and withstand any losses incurred in connection with such trading (including the total loss of premiums paid by Customer for long put and call options, margin requirements for short put and call options, and transaction costs).
4. Among the risks Customer acknowledges are: (a) option contracts are traded for a specified period of time and have no value after expiration; (b) trading halts in the underlying security, or other trading conditions (for example, volatility, liquidity, systems failures) may cause the trading market for an option (or all options) to be unavailable, in which case, the holder or writer of an option would not be able to engage in a closing transaction and an option writer would remain obligated until expiration or assignment.
5. The IB System is an electronic system and is, therefore, subject to unavailability. Customer represents that it has alternate trading arrangements for the placement of Customer's orders and shall use such arrangements in the event that the IB System becomes unavailable. Although the IB System is designed to perform certain automatic functions, IB does not warrant that the IB System will perform as it is designed to, and IB will not have any liability to Customer for losses or damages which result from such failures of performance or unavailability. Subject to the foregoing, Customer acknowledges that the IB System is designed to automatically liquidate Customer positions if Customer's account equity is not sufficient to meet margin requirements.
6. Customer has reviewed and understands the applicable margin requirements for trading equity options.
7. Each equity option transaction entered into is subject to the rules and regulations of the Securities & Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA"), the OCC, the self-regulatory organizations that regulate IB and, the relevant options exchanges. Customer is aware of and agrees to be bound by the rules applicable to the trading of options contracts promulgated by the SEC, FINRA, the OCC and the self-regulatory organizations that regulate IB and the relevant options exchanges.
8. Equity options traded in the US are issued by the OCC.
9. Customer is aware of and agrees not to, alone or in concert with others, exceed the position and exercise limits imposed by FINRA or by other exchange rules and regulations, including but not limited to FINRA Rules 2360(b)(3)

and (4).

10. With certain exceptions, IB will not execute a Customer order to purchase an equity option if Customer does not have equity in its account at least equal to the full purchase price of a put or call option (equity options may not be purchased on margin).
11. Customer shall comply with IB margin requirements in connection with Customer's sale of put and call options.
12. Customers who wish to exercise an option on a particular trading day acknowledge that they must provide specific, written instructions to IB using the procedure specified on the IB website before the Close Out Deadline specified. Customer further acknowledges that, absent receipt of such instructions, IB has no obligation to exercise Customer's option on any given trading day or prior to the expiration of the option. Customer acknowledges that, subject to paragraph H below, OCC will automatically exercise any long equity option held by a Customer that is in-the-money by \$.01 or more at expiration, absent specific instructions to the contrary provided by Customer to IB using the procedures specified on the IB website.
13. Customer understands that OCC assigns exercises to clearing firms such as IB and Customer acknowledges that it has read and understands the description of the OCC assignment procedures available on request from the OCC as set forth in Chapter VIII of the OCC Document. Customer acknowledges that, upon assignment, Customer shall be required: (1) in the case of an equity option, to deliver or accept the required number of shares of the underlying security, or (2) in the case of an equity index option, to pay or receive the settlement price, in cash. Customer understands that it may not receive notice of an assignment from IB until one or more days following the date of the initial assignment by OCC to IB and that the lack of such notice creates a special risk for uncovered writers of physical delivery call stock options. Customer acknowledges that it has read and understands this risk as described in Chapters VIII and X of the OCC Document.
14. Customer is responsible for entering an offsetting transaction to close out a Customer position, or to exercise an equity option by written e-mail instruction to IB prior to the expiration date, and Customer's failure to do so may result in the equity option expiring worthless, regardless of the monetary value of the equity option on its expiration date.
15. If, prior to expiration of an option contract, Customer does not have sufficient equity to meet the initial margin requirement for the purchase or sale of the underlying security (the higher of IB's "house" margin requirements or margin requirements mandated by exchanges or regulators), then IB shall have the option, at its discretion, to: (1) decline to purchase or sell such underlying security for the customer's behalf (e.g., by filing a Contrary Exercise Notice); OR (2) exercise the option and liquidate the underlying security position which results from the exercise of the option contract. If Customer violates the IB Customer Agreement by failing to close out an open option position prior to expiration, which creates a margin deficiency (e.g., upon exercise or automatic exercise of the option), then Customer shall be liable for resulting losses and costs and shall not be entitled to any profits or gains.
16. In connection with the exercise of a long put option that results in a short position in the underlying stock, Customer acknowledges that: (1) short sales may only be effected in a margin account and are subject to initial and maintenance margin requirements; and (2) if IB is unable to borrow such stock on Customer's behalf or if a lender subsequently issues a recall notice for such stock, then IB, without notice to Customer, is authorized by Customer to cover Customer's short position by purchasing stock on the open market at the then current market price and Customer agrees that it shall be liable for any resulting losses and all associated costs incurred by IB. As noted above, the market value of short stock is treated as a debit item to Customer's IB margin account.

2008

Special Risks in Securities Trading



Should you have any suggestions with regard to future editions of this information brochure, please send them to: office@sba.ch. We are interested in your feedback, which we will evaluate at the earliest opportunity.

Swiss Bankers Association

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Introduction

What this brochure is about

Since 1 February 1997, commercial trading in securities is governed by the Stock Exchange Act (Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995). The Act requires securities dealers to inform their clients about types of transaction and investments that may involve special risks. This brochure contains information about these risks.

The term “**securities dealer**” is used in this brochure to mean your bank.

Securities and the risks involved

What are securities? **Securities** are standardised certificates which are suitable for mass trading, as well as rights not represented by a certificate but with similar features (book-entry securities). They include equities, bonds, units of mutual funds and derivatives. They are offered to the public in a standardised form and denomination, or are sold to more than 20 clients.

What are derivatives? **Derivatives** are financial instruments for which the price is derived either from assets (underlyings) such as equities, bonds, precious metals and other commodities; or from benchmark rates such as currencies, interest rates and indices; or from credit or catastrophe events.

An equity option, for example, derives its value from the “underlying” equity. In the following chapters, we will go on to look at **different types** of derivatives, including forwards, futures and structured products as well as options.

What do you particularly need to bear in mind when carrying out securities transactions? Securities, and especially derivatives, entail **financial risks**. Derivatives are financial instruments based on a separate underlying and are often composed of different elements, which sometimes makes them difficult to understand. This is particularly true for “exotic” options. This brochure explains these financial instruments and their associated risks. However, it is no substitute for the product descriptions provided by issuers and securities dealers. If you have any further questions, consult your securities dealer.

Can the risks be unlimited? There are basically two types of **financial instruments**: those with **limited risk** and those with **unlimited** risk. The purchase of equities or options involves limited risk. At worst, you will lose the entire amount of your invested capital and not make a profit.

CAUTION On the other hand, there are certain types of derivatives that can require an additional outlay of capital over and above the original investment. The obligation to make such **margin payments** can amount to many times the purchase price of the investment. Unlimited risk is particularly associated with:

- selling (writing) an uncovered call option,
- selling (writing) a put option or
- forwards and futures transactions.

Your right to information

What must your securities dealer inform you about?

The Stock Exchange Act obliges securities dealers to inform their clients about the risks associated with a given **type of transaction**. 8

The obligation to inform is dependent of the **client's level of experience and specialist knowledge in the area concerned**. Clients must be informed about transactions that entail higher levels of risk or have a complex risk profile, but not about the specific risks relating to individual transactions. 9

Limits of the duty to provide information

When can you waive your right to information?

If you are already familiar **with the risks pertaining to a particular type of transaction**, you may choose not to receive this information from your securities dealer. 10

What information are securities dealers not obliged to supply?

Securities dealers are not obliged to inform you about **normal risks**. These are not covered in this brochure. Normal risks chiefly include: 11

- **The risks attached to conventional, widely used financial instruments, such as equities, bonds and collective investments (e.g. units in mutual funds)**

For example, the debtor (issuer) can get into financial difficulties, making him/her incapable of payment (credit and default risks). 12

- **Country risks**

A country risk can arise if a country restricts securities trading, for instance by imposing economic sanctions or currency restrictions. 13

- **Settlement risks**

A settlement risk occurs when you have to pay the purchase price of a security in advance but do not actually receive the security until later. In this event, the risk is that you will pay the purchase price and receive the securities late or even not at all. Conversely, when you are obliged to deliver securities that you have sold, you may not simultaneously receive the purchase price from the buyer. Settlement risks mainly occur in emerging markets (see 209). 14

- **Risks associated with custody of financial instruments**

Financial instruments can be held either in your country or abroad. Generally, they are held where they are most often traded, and are governed by the regulations that apply there. If your securities dealer becomes insolvent, Swiss law stipulates that the financial instruments deposited with that dealer will not form part of their bankruptcy assets, but will be kept separate for your benefit. However, insolvency proceedings can delay the transfer of the financial instruments to you or another securities dealer. If a third-party custodian becomes insolvent, the law in many countries provides that the financial instruments deposited with that custodian by your securities dealer are also normally protected. In less advanced markets (see 196 ff.), however, financial instruments deposited with a third-party custodian in the country concerned may be included in the custodian's bankruptcy assets. 15

- **Liquidity risk**

Liquidity risk is the risk that you will not always be able to obtain an appropriate price for your investment when you sell it. When certain securities and derivatives are impossible to sell, or can only be sold with difficulty and at a sharply reduced price, the market is said to be illiquid. Illiquidity risk occurs especially with shares in un- 16

listed or poorly capitalised companies, investments with sales restrictions, and certain structured products.

The Stock Exchange Act does not require securities dealers to inform you about risks associated with **investments in alternative (non-traditional) investments and emerging or developing markets**. Given the significance of these types of investment, we nonetheless explain the risks typically encountered in these markets in Section Two of this brochure (see 196 ff. below). 17

This brochure does not deal with the issues of **taxation or any other legal consequences** pertaining to securities transactions (e.g. duties of disclosure). We advise you to look into these matters yourself or obtain professional advice. 18

Please read through this brochure carefully and consult your securities dealer if you have any questions. 19

1 Section One: Transactions involving special risks

Options

What are your rights and duties in an option transaction? As the **buyer** of an **option**, you have the right to buy a specified amount of an **underlying asset** (often simply referred to as the “underlying”) from the **seller (call option)** or sell it to the **seller (put option)** at a predefined price (**strike price**) up until a set time (**expiration date**). The price you pay for this right is called the **premium**. 20

As the **seller (writer)** of an option, you must sell the underlying to the buyer at the strike price (call option) or buy the underlying from him/her at the strike price (put option) up until the expiration date, irrespective of the market value of the underlying asset at the time, if he/she chooses to exercise the option. 21

What is the leverage effect in the context of options? The price of an option is closely linked to that of the underlying asset. Any change in the market value of the underlying asset will result in a greater change in the price of the option. This is termed the **leverage effect**. It means you participate disproportionately in any rise or fall in the market value of the underlying asset. 22

Which underlying assets can options be based on? The commonest underlying assets for options are: 23

- assets such as equities, bonds, precious metals and other commodities,
- benchmark rates such as currencies, interest rates and indices,
- derivatives and
- any combination of the above.

What are “American-style” options? “**American-style**” options can normally be exercised on any trading day up to the expiration date. 24

What are “European-style” options? “**European-style**” options can only be exercised on the expiration date, in other words the date set out in the contract. This does not, however, normally affect their tradability on the secondary market (e.g. on a stock exchange). 25

When are options settled physically, and when are they settled in cash? Where a call option provides for **physical settlement**, you can require the seller of the option (writer) to deliver the underlying asset when you exercise the option. With a put option, the writer is obliged to buy the underlying asset from you. 26

If an option provides for **cash settlement**, you are only entitled to a sum of money corresponding to the difference between the strike price and the current market value of the underlying asset. 27

When is an option – in the money, – out of the money, – at the money? A call option is **in the money** if the current market value of the underlying asset is above the strike price. A put option is in the money if the current market value of the underlying asset is below the strike price. An option that is in the money is said to have an **intrinsic value**. 28

A call option is **out of the money** if the current market value of the underlying asset is below the strike price. A put option is out of the money if the current market value of the underlying asset is above the strike price. In this case, the option has **no intrinsic value**. 29

If the current market value of the underlying asset is the same as the strike price, the option is **at the money**. In this case, it has **no intrinsic value**. 30

What determines the price of an option?	The price of an option depends on its intrinsic value and on what is referred to as the time value . The latter depends on a variety of factors, including the remaining life of the option and the volatility of the underlying. The time value reflects the chance that the option will be in the money. It is higher for options with a long duration and a very volatile underlying and for options that are at the money.	31
What types of options are there?	Warrants are options in securitised form that are traded on an exchange or over the counter (OTC).	32
	Exchange Traded Options are non-securitised, but are traded on an exchange.	33
	OTC (Over-the-Counter) options are neither securitised nor traded on-exchange. They are agreed directly off-exchange between the seller and the buyer. If you wish to cancel (close out) an option of this type before the expiration date, you must make a corresponding offsetting trade with your counterparty. OTC options with precious metals and currencies as their underlying are offered publicly as standardised products. Tailor-made OTC options , by contrast, are specially created for individual investors.	34
What is "margin cover"?	If you sell an option, you have to deposit either an amount of the underlying asset or another form of collateral for the entire duration of the contract. The level of this collateral or margin is determined by the securities dealer. The exchange stipulates a minimum margin for traded options.	35
	CAUTION If the margin cover proves insufficient, the securities dealer can require you to provide additional collateral (via a margin call).	36
What risks do you face as the buyer of an option?	Generally speaking, if the market value of the underlying asset falls, so does the value of your call option . The value of your put option tends to fall if the underlying asset rises in value. Normally, the less your option is in the money, the larger the fall in the option's value. In such cases, value reduction normally accelerates close to the expiration date.	37
	The value of your call option can drop even when the value of the underlying remains unchanged or rises. This can happen as the time value of your option falls or if supply and demand factors are unfavourable. Put options behave in precisely the opposite manner.	38
	CAUTION You must therefore be prepared for a potential loss in the value of your option, or for it to expire entirely without value. In such a scenario, you risk losing the whole of the premium you paid.	39
What risks do you face as the seller (writer) of a covered call option?	If, as writer of a call option, you already have a corresponding quantity of the underlying at your disposal, the call option is described as covered . If the current market value of the underlying exceeds the strike price, your opportunity to make a profit is lost since you must deliver the underlying to the buyer at the strike price, rather than selling the underlying at the (higher) market value. You must have the underlying assets freely available as long as it is possible to exercise the option, i.e. they may not, for example, be blocked by being pledged for other purposes. Otherwise, you are essentially subject to the same risks as when writing an uncovered call option (see below).	40
What risks do you face as the seller (writer) of an uncovered call option?	If, as writer of a call option, you do not have a corresponding quantity of the underlying at your disposal, the call option is described as uncovered . In the case of options with physical settlement, your potential loss amounts to the price difference between the strike price paid by the buyer and the price you must pay to acquire the	41

underlying assets concerned. Options with cash settlement can incur a loss amounting to the difference between the strike price and the market value of the underlying.

CAUTION Since the market value of the underlying can move well above the strike price, your potential loss cannot be determined and is theoretically unlimited. 42

As far as American-style options in particular are concerned, you must also be prepared for the fact that the option may be exercised **at a highly unfavourable time when the markets are against you**. If you are then obliged to make physical settlement, it may be very expensive or even impossible to acquire the corresponding underlying assets. 43

You must be aware that your potential losses can be far greater than the value of the underlying assets you lodged as collateral (margin cover) either when entering into the contract or thereafter. 44

What risks do you face as the seller (writer) of a put option?

As the writer of a put option, you must be prepared for potentially substantial losses if the market value of the underlying falls below the strike price you have to pay the seller. Your potential loss corresponds to the difference between these two values. 45

As the writer of an American-style put option with physical settlement, you are obliged to accept the underlying assets at the strike price if the buyer exercises the option, even though it may be difficult or impossible to sell the assets and may well entail substantial losses. 46

CAUTION Your potential losses can be far greater than the value of any underlying assets you may have lodged as collateral (margin cover). You could in a worst case lose your entire capital invested. 47

What is a covered option?

With a **covered option**, you purchase an underlying asset (equity, bond or currency) and simultaneously write a call option on that same asset. In return, you are paid a premium, which limits your loss in the event of a fall in the market value of the underlying asset. By the same token, however, your potential return from any increase in the asset's market value is limited to gains up to the option's strike price. **Traditional covered options** require that the underlying asset be lodged as collateral, which makes **you the covered writer**. 48

Synthetic **covered options** are based on the idea of replicating traditional covered options. However, this is achieved by means of only one transaction. Both the purchase of the underlying asset and the writing of the call option are carried out synthetically using derivatives. The purchase price of such a product is identical to that of the underlying, less the premium received for the sale of the call option. Hence, the synthetic product is sold more cheaply than its underlying. 49

What are the risks of a covered option?

Covered options do **not contain a hedge against falls in the market value of the underlying**. However, by writing a call option (traditional covered option) or by calculating the return from the sale of a call option into the product price (synthetic covered option), any loss in market value of the underlying has less impact than it would in the case of a direct investment. In effect, the option premium thereby limits any loss in the market value of the underlying. 50

Either cash settlement or physical delivery of the underlying takes place on the expiration date. If the market value of the underlying on expiration is higher than the strike price, the holder of an option with cash settlement is paid a specified cash amount as settlement. 51

	CAUTION If, however, the market value of the underlying is lower than the strike price, the holder of an option with physical settlement receives physical delivery of the underlying asset. In this case, the option holder bears the full risk associated with the underlying.	52
What are option strategies?	If you acquire two or more options, based on the same underlying, which differ in either the option type (call or put), the quantity, the strike price, the expiration date or the type of position (long or short), this is referred to as an option strategy .	53
	CAUTION Given the large number of possible combinations, we cannot go into detail here about the risks involved in any particular case. Before entering into any such transaction, be sure to consult your securities dealer about the particular risks involved.	54
What are exotic options?	Unlike the “plain vanilla” put and call options described above, exotic options are linked to additional conditions and agreements. Exotic options come in the form of tailor-made OTC options or as warrants.	55
	Given the special composition of exotic options, their price movements can vary markedly from those of their “plain vanilla” cousins.	56
	CAUTION You must be aware that larger transactions can trigger price movements even shortly before expiration and that these can render an option worthless. Before buying or selling any exotic options, be sure to seek comprehensive advice about the particular risks involved.	57
	There is no limit to the possible structures for exotic options. We cannot describe in full here the risks involved in any particular case.	58
	The examples of exotic options listed below can be broadly divided into two categories: path-dependent options and options on more than one underlying.	
What are path-dependent options?	Unlike “plain vanilla” options, for path-dependent options , it is not just when the option expires or is exercised that the market value of the underlying is important. You also need to take into account fluctuations in the market value of the underlying during the life of the option when contemplating such an investment. The following are examples of path-dependent options:	59
	– Barrier options	
	Your exercise rights for knock-in barrier options only arise if the market value of the underlying reaches a fixed threshold (barrier) within a specified period. Exercise rights for knock-out barrier options expire if the market value of the underlying reaches the specified barrier during the given time period.	60
	If this barrier is between the market value of the underlying at the time the option was entered into and its strike price, it is referred to as a kick-in/kick-out barrier option.	61
	Double-Barrier options have both an upper and a lower barrier and may take the form of knock-in and knock-out barrier options.	62
	CAUTION When buying a barrier option , you must be aware that your exercise rights only arise when the market value of the underlying reaches the barrier (knock-in/kick-in option) or that they expire irrevocably when that barrier is reached (knock-out/kick-out option).	63

– Payout options

The **Payout options** accord you the right to payment of a fixed amount agreed in advance. 64

In the case of a **digital** (otherwise known as “**binary**”) **option**, you receive payment 65 if the market value of the underlying reaches a fixed value once during a specified time period (**one-touch digital option**) or precisely on the day of expiration (**all-or-nothing option**). For the one-touch digital option, payment occurs either immediately the barrier is reached or on the date of expiration (**lock-in option**).

With **lock-out options**, you only receive the fixed payment if the market value of the 66 underlying does not reach the agreed barrier during a specified time period.

CAUTION If you sell a payout option you owe the fixed amount if the barrier is reached, regard- 67 less of whether or not the option is in the money when exercised or on the expiration date, or to what extent. This means that the amount you owe can be considerably larger than the option’s intrinsic value.

– Asian options

For Asian options, an average value is derived from the market value of the underlying 68 ing over a specified time period. This average is used to determine the underlying’s value for an **average-rate option** and to calculate the strike price for an **average-strike option**.

CAUTION The calculation of an average value for the underlying in the case of the average-rate 69 option can result in the value of the option on the expiration date being considerably lower for the buyer and considerably higher for the writer than the difference between the strike price and the current market value on expiry.

CAUTION For an average-strike option, the average strike price of a call option can be consid- 70 erably higher than the price originally set. For an equivalent put option, the strike price can similarly be lower than the price originally set.

– Lookback options

With a **lookback option**, the market value of the underlying is recorded periodically 71 over a specified time period.

For a **strike-lookback option** the lowest value (call option) or the highest value (put 72 option) of the underlying becomes the strike price.

The strike price remains unchanged for a **price-lookback option**, with the highest 73 value (call option)/lowest value (put option) being used in calculating the option value of the underlying.

CAUTION For lookback options, both the calculated strike price and the calculated value of the 74 underlying can vary considerably from the market prices prevailing on the expiration date. If you sell an option of this type, you must be aware that it will always be exercised at the most unfavourable value for you.

– Contingent options

When you buy a **contingent option** you must pay the premium only if the market 75 value of the underlying reaches or exceeds the strike price during the life of the option (American-style option) or on the expiration date (European-style option).

CAUTION You will have to pay the entire premium even if the option is only just at the money or just in the money. 76

– **Cliquet and Ladder options**

For **cliquet options** (also known as **ratchet options**), the strike price is modified for the following period, normally at regular intervals, in line with the market value of the underlying. Any intrinsic value of the option is locked in. All lock-ins arising over the entire life of the option are accumulated. 77

For **ladder options**, these modifications take place when the underlying reaches specified market prices, rather than at regular intervals. Normally, only the highest intrinsic value is locked in. In rare cases, all the intrinsic values recorded are added together. 78

CAUTION If you sell a cliquet option, you are required on the expiration date to pay the buyer all the accumulated lock-ins in addition to any intrinsic value of the option. If you sell a ladder option you must pay the buyer the highest lock-in amount, which can be considerably higher than the option's intrinsic value on the expiration date. 79

What are options on more than one underlying?

Examples of options on more than one underlying are:

– **Spread and outperformance options**

Both spread and outperformance options are based on two underlyings. With a **spread option**, the absolute difference in movement between the two underlyings forms the basis for calculating the option's value. By contrast, the value of an **out-performance option** is based on the relative difference, i.e. the percentage outperformance of one underlying compared to the other. 80

CAUTION Even if the underlying performs positively, the difference between the underlyings may be equal or lower in absolute as well as relative terms, thus having a negative impact on the value of the option. 81

– **Compound options**

The **Compound options** have an option as their underlying, i.e. they are options on options. 82

CAUTION Compound options can have an especially large leverage effect. If you sell an option of this type, you can be faced with very substantial obligations. 83

– **Credit default options**

With a **credit default option**, a credit risk of the original risk-taker (risk seller) is transferred to a third party (risk buyer), who receives a premium in return. If the defined credit event occurs, the risk buyer is obliged to effect a cash settlement or take on the non-performing loan (or another delivery obligation) by way of physical settlement at a previously determined price. Credit default options are a form of credit derivatives. 84

CAUTION The risk of chain reactions on the credit market is high and can easily be underestimated. There is also the risk that lack of liquidity will lead to price distortions when volumes are low. This may mean that the investment can only be sold at a low price, longer term or even not at all. 85

Forwards and Futures

What duties do you have with forwards and futures?	With forwards and futures you undertake to deliver or take delivery of a defined quantity of an underlying on a specified expiration date at a price agreed on the contract date. Unlike with options, which (for the buyer at least) only give rise to rights, forwards and futures involve both parties entering into obligations. You do not have to pay a premium when the contract is concluded.	86
CAUTION	Forwards and futures can involve special risks. You should therefore only make investments of this type if you are familiar with this type of instrument, have sufficient liquid assets and are able to absorb any losses that may arise.	87
What is the difference between futures and forwards?	Futures are traded on an exchange. They take the form of contracts in which the quantity of the underlying and the expiration date are standardised.	88
	Forwards are not traded on an exchange; hence they are referred to as OTC (over-the-counter) forwards. Their specifications may also be standardised; otherwise they may be individually agreed between the buyer and seller.	89
What underlying assets can forwards and futures be based on?	The most common underlyings for forwards and futures are: <ul style="list-style-type: none">– assets (equities, bonds, precious metals and other commodities),– benchmark rates such as currencies, interest rates and indices.	90
What is a margin?	When you buy or sell (short) an underlying asset on the futures market, you must supply a specified initial margin when entering into the contract. This is usually a percentage of the total value of the contracted instruments. In addition, a variation margin is calculated periodically during the life of the contract. This corresponds to the book profit or loss arising from any change in value in the contract or underlying instrument. The way in which the variation margin is calculated will depend on the rules of the exchange concerned and/or the conditions of the contract.	91
	As the investor, you are obliged to deposit the required initial and variation margin cover with the securities dealer for the entire life of the contract.	92
CAUTION	In the event of a book loss, the variation margin can be several times as large as the initial margin.	93
How is a transaction closed out?	As the investor, you are entitled to close out the contract at any time prior to the expiration date. How this is done depends on the type of contract or stock exchange practice. You either “sell” the contract or agree an offsetting trade with identical terms. Concluding such an offsetting trade means that the obligations to deliver and receive cancel one another out.	94
How is the transaction settled?	If you do not close out the contract prior to the expiration date, you and the counterparty must settle it.	95
	If the underlying in your contract is a physical asset , settlement is achieved by physical delivery or a cash payment. Generally, the asset is physically delivered. Only in exceptional cases do the contract provisions or stock exchange practice call for cash settlement. All other fulfilment specifications, especially the definition of the place of fulfilment, can be found in the relevant contract provisions.	96

The difference between **physical delivery** and **cash settlement** is that with physical delivery, underlyings amounting to the entire contractual value must be delivered, whereas with cash settlement, only the difference between the agreed price and the market value on settlement needs to be paid. This means that you need more funds available for physical delivery than for cash settlement. 97

If the underlying in your contract is a **reference rate** or **benchmark**, fulfilment by physical delivery is not permitted (except for currencies). Instead, settlement is always in cash. 98

What special risks do you need to bear in mind?

For **forward sales**, you must deliver the underlying at the price originally agreed even if its market value has since risen above the agreed price. In such a case, you risk losing the difference between these two amounts. 99

CAUTION Theoretically, there is no limit to how far the market value of the underlying can rise. Hence, your potential losses are similarly unlimited and can substantially exceed the margin requirements. 100

CAUTION For **forward purchases**, you must take delivery of the underlying at the price originally agreed even if its market value has since fallen below the agreed price. Your potential loss corresponds to the difference between these two values. Your maximum loss therefore corresponds to the originally agreed price. Potential losses can substantially exceed the margin requirements. 101

In order to limit price fluctuations, an exchange may set price limits for certain contracts. Find out what price limits are in place before effecting forward or futures transactions. This is important since closing out a contract can be much more difficult or even impossible if a price limit of this type is reached. 102

CAUTION If you sell forward an underlying which you do not hold at the outset of the contract, this is referred to as a **short sale**. In this case, you risk having to acquire the underlying at an unfavourable market value in order to fulfil your obligation to effect delivery on the contract's expiration date. 103

What special factors apply to OTC forwards?

The market for standardised **OTC forwards** is transparent and liquid. Hence, contracts can normally be closed out without difficulty. There is no actual market for OTC forwards agreed individually, and hence the positions they entail may only be closed out with the agreement of the counterparty. 104

What special factors apply to combinations?

Since **combinations** comprise a number of elements, closing out individual elements can considerably alter the risks inherent in the overall position. Before entering into any such transaction, be sure to consult your securities dealer about the particular risks involved. 105

Given the many possible combinations, we cannot go into detail in this brochure about the risks involved in any particular case. Before making a purchase, be sure to seek comprehensive advice about these risks. 106

Structured Products

What are structured products?	Structured products are issued either publicly or privately. Their redemption value depends on the performance of one or more underlyings . They may have a fixed or unlimited term and consist of one or more components.	107
What are the common types of structured products?	Here is a list of the common product categories , based on the categorisation model used by the Swiss Structured Products Association (SSPA): <ul style="list-style-type: none"> – capital protection products (see 116 ff. below) – yield enhancement products (see 126 ff. below) – participation products (see 130 ff. below) – leverage products (see 135 ff. below) 	108
Can products of this type be traded on an exchange?	Structured products may be listed for trading on an exchange , but do not have to be.	109
Can you sell a structured product?	The tradability of a structured product depends on whether the issuer or a market maker is prepared to make a price. Even if they are, liquidity risks can still arise. If the market is not liquid, you run the risk of having to either hold the financial instrument until the end of its term or sell it during the term at an unfavourable price. It can also be difficult or impossible to determine a fair price or even compare prices at all, as there is often only one market maker.	110
What is the issuer risk?	You bear the risk that the debtor of a structured product may become insolvent (issuer risk). The instrument's value is therefore dependent not only on the performance of the underlying asset but also on the creditworthiness of the issuer, which may change over the term of the structured product.	111
What special risks do you need to bear in mind?	Every structured product has its own risk profile , and the risks of its individual components may be reduced, eliminated or increased. In particular, it may profit to different degrees from rising, constant or falling market values of the underlying, depending on the product involved.	112
	CAUTION It is extremely important to find out exactly what the risks are before acquiring a product of this kind. This information can be found in, for example, the issue documents or the product description concerned.	113
Are structured products covered by the Collective Investment Act?	Structured products are not categorised as collective investments under the Collective Investment Schemes Act (Federal Act on Collective Investment Schemes of 23 June 2006). Unlike with collective investments, the issuer is liable with his or her own assets (as is any guarantor, to the extent of a guarantee they have provided), and there is no backing from specially protected assets. You therefore need to bear in mind that in addition to a potential loss resulting from a decline in the market value of the underlyings (market risk), you may in the worst case lose your entire investment because the issuer or guarantor becomes insolvent (issuer or guarantor risk).	114
Do you have an entitlement to voting rights and dividends?	You do not normally have any entitlement to voting rights or dividends if you buy a structured product.	115

Capital Protection Products

What types of capital protection are there?	Some structured products offer capital protection. The level of this protection is fixed by the issuer when the product is issued and indicates the percentage of the nominal value that will be repaid to the investor on expiration. However, capital protection generally only applies at the end of the term and may, depending on the product conditions, be (far) lower than 100% of the invested capital.	116
CAUTION	Some structured products offer only conditional capital protection, which can be lost if the value touches, falls below or rises above a predefined threshold (barrier, knock-out level). Repayment is then dependent on the performance of one or more underlyings.	117
What are structured products with capital protection?	Structured products with capital protection consist of two elements, such as a fixed-income investment (especially a bond or a money market investment) and an option. This combination enables the holder to participate in the performance of one or more underlyings (via the option or participation component) while at the same time limiting potential losses (via the fixed-income investment or capital protection component). The capital protection component may only cover a portion of the capital invested.	118
What is the purpose of the capital protection component?	The capital protection component determines the minimum repayment you receive on expiration, regardless of how the participation component performs.	119
What does the capital protection relate to?	The capital protection is linked to the nominal value rather than the issue price or purchase price. Hence, if the issue/purchase price you pay exceeds the nominal value, only the nominal value is capital-protected. The protection of your capital outlay drops accordingly. If, however, the issue/purchase price is less than the nominal value, the protection of your capital outlay rises accordingly.	120
Is the invested capital fully protected?	The capital protection component can be well under 100% of the capital invested, depending on the product. Capital protection does not therefore mean 100% repayment of nominal value or the purchase price for all products. Structured products with capital protection generally offer lower returns than direct investments in the underlying, as the capital protection costs money.	121
CAUTION	If you wish to sell a structured product with capital protection before it expires, you may receive less than the capital protection component as the capital protection only applies if you keep the product until the redemption date.	122
Does the capital protection still apply if you sell the product during its term?		
What is the purpose of the participation component?	The participation component determines how you benefit from price movements in the underlying(s) when you buy a structured product. In other words, it fixes the level of your potential return over and above the capital protection component. Some structured products with capital protection offer only a limited potential participation (those with a cap); some (those without a cap) offer unlimited potential participation. Others require the market value of the underlying to touch, rise above or fall below a specific barrier before you can make a profit.	123
How high is the risk on the participation component?	The risk on the participation component is the same as that on the corresponding option or combination of options . Depending on the movements in the market value of the underlyings, the participation component may therefore be zero.	124

CAUTION Your maximum loss on a structured product with capital protection is limited to the **difference between the purchase price and the capital protection**, provided you continue to hold the product until expiration. You may also miss out on a profit due to the fact that full or partial repayment of the capital is guaranteed but no income (interest) is paid. Please be aware that there is also issuer risk (see 111). 125

What is the maximum possible loss?

Yield Enhancement Products

Structured products with yield enhancement consist of two elements, such as a fixed-income investment and an option (mainly on equities or currencies), and possibly a currency swap. This combination enables you to participate in the performance of one or more underlyings (via the option component). However, these financial instruments offer **no or only conditional capital protection**. The interest that is paid means you receive a higher return than with a direct investment if the price of the underlying remains essentially unchanged. On the other hand, you will not benefit from the full potential return of the underlying. 126

What are structured products with yield enhancement?

If the market value of the underlying rises, you will receive the stipulated interest and the nominal value on expiration (equally, the product may provide for a discount on the issue price). If the market value of the underlying rises sharply, you could possibly have earned a higher return on a direct investment. However, if the market value of the underlying falls sharply, you will receive both the interest payment and the underlying on expiration (unless the product offered a discount on the issue price). 127

What special risks do you need to bear in mind?

Many products with yield enhancement refer to several underlyings. You as investor receive the security with the worst performance on expiration (either physically or in the form of cash) if the underlying touches, rises above or falls below a predefined barrier during the term of the financial instrument. If the performance of the underlying is negative, the financial instrument can trade some way below the issue price during its term even if the barrier is not touched, exceeded or undershot. The level of interest rate is directly related to the level of the barrier. The nearer the barrier is to the market price of the underlying on the day of issue, the higher the interest you receive will generally be, but the higher the risk that the barrier will be reached, and vice versa. 128

CAUTION When you invest in a structured product with yield enhancement, you could in the worst case scenario lose the entire capital that you have invested. 129

What is the maximum possible loss?

Participation Products

Structured products with participation enable you to participate in the performance of one or more underlyings. However, they offer **no or only conditional capital protection**. 130

What are structured products with participation?

If the participation product offers conditional capital protection, the risk is smaller than with a direct investment provided the market value of the underlying does not reach a specific barrier (termed the “knock-out”).

CAUTION If the market value of the underlying touches, rises above or falls below the barrier, you will lose the capital protection. 131

What special risks do you need to bear in mind? The **risk of a structured product with participation** is generally the same as that of the underlying. Unlike with a direct investment, however, you do not receive voting rights and you are not entitled to a dividend. You do, though, bear the credit risk of the product's issuer. 132

Many products with participation refer to several underlyings. You as investor receive the security with the worst (or sometimes best) performance on expiration (either physically or in the form of cash) if the market value of the underlying touches, rises above or falls below a predefined barrier during the term of the financial instrument. The financial instrument can trade some way below the issue price during its term even if the barrier is not touched, exceeded or undershot. Moreover, the level of participation is directly related to the level of the barrier. If you have a higher risk tolerance when selecting the barrier, you will enjoy a higher participation. 133

CAUTION **What is the maximum possible loss?** When you invest in a structured product with participation, you could in the worst case scenario lose the entire capital that you have invested. 134

What are structured products with leverage? **Leverage Products**
Structured products with leverage enable you to achieve a leverage effect by investing less capital than you would have to if you invested directly in the underlying. This means you can benefit from short-term trends. 135

Structured products with leverage are suitable for short-term speculation but also for strategically hedging a portfolio. 136

What special risks do you need to bear in mind? Because of the leverage effect, you need to **carefully and regularly monitor** the underlying, since structured products with leverage can experience a larger rise in profits but also a bigger loss than the underlying. 137

CAUTION **What is the maximum possible loss?** When you invest in a structured product with leverage, you could in the worst case lose the entire capital that you have invested. 138

Products Used for Financing or Risk Transfer

What exactly are these products? The financial instruments discussed in this section have the **same or similar profit and loss structures as certain conventional financial instruments** (equities or bonds). 139

Such financial instruments may be listed for trading on an exchange, but do not have to be. 140

The risks associated with these products are not necessarily the same as those of the financial instruments they contain. It is therefore extremely important to find out exactly what the risks are before acquiring a product of this kind. This information can be found in, for example, the **product description concerned**. 141

What are credit and catastrophe derivatives? There are some products that are mainly used to transfer risks. These include **credit and catastrophe derivatives**. They are financial instruments where the “underlying” is an event such as a credit event (default of a loan or bond) or a natural disaster. 142

Derivatives of this type can be used by the bearer of a risk to transfer it to others. Credit derivatives come in the form of swaps, options or hybrid financial instruments.

CAUTION Credit and catastrophe derivatives involve a **liquidity risk**. Often such instruments cannot be sold before the end of their term, because there is no market for them. 143

Credit bonds securitise the risks and transfer them to third parties as **credit-linked notes, collateralised debt obligations and asset-backed securities**. As a result, the buyer takes on the risk associated with a loan portfolio. 144

Credit-linked notes (CLN)

CLN are bonds whose redemption and interest payments depend on the performance of a specific underlying or benchmark portfolio (e.g. loan, bond). 145

CAUTION Look closely at the creditworthiness of the debtor to which the CLN is linked, as the CLN can end up being valueless if a credit event occurs. There is an issuer risk, i.e. a credit risk of the issuing bank, just as with structured products. The secondary market for CLN is highly illiquid, and you should therefore assume that you will not be able to sell one before the end of its term. 146

Collateralised debt obligations (CDO)

CDO are bonds backed by a diversified debt portfolio (mostly loans, bonds or credit default swaps). They give you access to investments that are unattractive or even unattainable for individual investors. Since CDO are often divided up into a number of tranches with differing credit risks, you can decide what credit risk you wish to take on. If a debtor in the debt portfolio experiences a credit event, the equity-like tranches are affected first: they may be only partially redeemed, or not redeemed at all. If a number of debtors default, this affects the remaining tranches in order of creditworthiness, until finally the tranche with the highest credit rating (comparable to that of first-class bonds) may only be partially redeemed, or not redeemed at all. The value of a CDO is based primarily on the probability of a credit event affecting the individual companies in the portfolio. This probability of default is determined using statistical methods and on the basis of historical data, and can cease to be meaningful in extreme market conditions. 147

Before you invest in a CDO, you should also look at the track record of the manager in charge of it: he or she will receive a performance-related bonus and will often have a holding in the CDO him/herself. If the portfolio is not run by a manager (which is termed a “static” portfolio), its composition remains unchanged throughout its term. In this case you should pay special attention to the composition of the portfolio. 148

CAUTION CDO typically have a term of several years. As there is generally no secondary market, you should assume that you will not be able to sell the CDO before the end of its term. 149

Asset-backed securities (ABS)

In ABSs, risks (such as a range of receivables) are grouped together and transferred to a special purpose vehicle (SPV). The SPV finances this transaction by issuing securities backed by a pool of assets or a portfolio. If the collateral is a mortgage, this kind of instrument is called a **mortgage-backed security (MBS)**. The individual com- 150

ponents of the portfolio would be unattractive or even unobtainable in this form for individual investors. However, the composition of the portfolio makes it possible to combine together and sell a range of assets and risks. By grouping together different types of credit risk, different risk profiles can be created.

Even if a pool or portfolio is created, lack of diversification can lead to a concentration of risk. 151

CAUTION Credit bonds are often issued by particular types of offshore companies (SPV). In this event you should pay special attention to the issuer risk and the quality of government supervision of such SPVs. 152

2 Section Two: Additional Information

Alternative (Non-Traditional) Investments

What are alternative or non-traditional investments?

Alternative or non-traditional investments are investments that do not fall within the traditional asset classes, such as equities, bonds or money market products. They include a **wide range of instruments and strategies**. This section focuses on the classes that are most important in terms of risk information:

153

- hedge funds (see 159 ff. below)
- private equity (see 174 ff. below)
- real estate (see 182 ff. below)
- precious metals and other commodities (see 189 ff. below)

This list is not exhaustive and this brochure cannot point out all the risks and issues that need to be taken into account in connection with **alternative or non-traditional investments**.

154

CAUTION Be sure to obtain comprehensive advice before investing in **alternative or non-traditional investments**, and examine the offering carefully.

What do you need to bear in mind when making direct investments?

Instruments allowing for **direct investment** can make sense in terms of diversifying a portfolio (risk distribution) because their returns are less dependent on factors such as the performance of the markets and levels of interest rates than those of conventional investments. However, the minimum outlay required for direct investments is generally very high, and they are often not accessible to all investors.

155

What about indirect investments?

To overcome these obstacles and avoid the risks of the large direct investments required, the financial sector has developed instruments for **indirect investment**. They include certificates, notes, investment funds, funds of funds, commodity futures and forward contracts. All these structures are based on one or more of the asset classes mentioned below. If you are interested in indirect investments, you need to bear in mind not just the risks of alternative investments as an asset class, but also the risks of the instrument concerned – the risks associated with structured products, for example. Please note that this section does not deal with the risks of structured products, forward contracts and futures, as these were discussed in the preceding sections (see “Forwards and Futures” and “Structured Products”).

156

What are offshore funds?

Offshore investments are often structured as funds or partnerships (such as limited partnerships) and domiciled in countries where legislation and supervision can be weak – hence the name “offshore funds”. The Swiss financial supervisory authority does not permit the public distribution of such funds in Switzerland.

157

CAUTION The legislation and supervision applying to offshore funds are much less strict than for traditional investments, which means that **investors may enjoy less protection**. They may find it difficult to enforce their rights, and problems and delays may occur when settling buy and sell orders for units of such funds.

158

What are hedge funds?	<p>Hedge Funds</p> <p>Hedge funds are the best-known form of alternative or non-traditional investments. Despite what their name suggests, hedge funds do not necessarily have anything to do with hedging. Indeed, they take on sometimes very high levels of risk in order to obtain an above-average return. Hedge funds include all forms of investment funds, investment companies and partnerships that use derivatives not just for hedging but also for investment, that are able to engage in short selling or take on significant leverage by borrowing. Other features typical of hedge funds include their freedom to choose their asset classes, markets (including emerging markets) and trading methods. Hedge funds normally require high minimum investments. They frequently offer only limited opportunities for subscription and redemption, with long notice periods. The portfolio managers of hedge funds receive performance-related bonuses and often hold a personal stake in the funds.</p>	159
What should you particularly bear in mind about hedge funds?	<p>CAUTION Pay special attention to the following:</p> <ul style="list-style-type: none"> – A hedge fund may be less transparent than a traditional investment fund, for example, as investors are not always informed about planned strategies and changes to them, or changes of portfolio manager. Hedge funds are also not subject to any disclosure requirements. – Unlike traditional collective investments, hedge funds have limited liquidity (units may generally only be redeemed once a month, quarterly or annually). Normally, investors can only invest in a hedge fund at specific times. There are generally long notice periods for redemptions and long lock-up periods (periods during which investors are obliged to leave their capital in the fund). – Delays may occur, and unfavourable prices may result, when settling buy and sell orders for hedge fund units. There is no guarantee that investors will be able to enforce their rights. 	160 161 162
What are funds of hedge funds or multi-manager hedge funds?	<p>Investors invest in funds of hedge funds or multi-manager hedge funds in order to reduce risk. These funds invest their capital in a number of hedge funds and spread it across a range of hedge fund managers that cover different investment styles, markets and instruments. There are also structured products that you can use to invest in hedge funds or hedge fund indices.</p>	163
What strategies do hedge funds pursue?	<p>The main hedge fund strategies seen on the market are as follows:</p> <ul style="list-style-type: none"> – Equity hedge (“long”, “short”) Equity hedge funds identify undervalued (buy or long position) and overvalued (short selling or short position) equities in specific regions or market segments and attempt to make profits in the belief that sooner or later these positions can be closed out at a profit. – Arbitrage strategies Arbitrage strategies identify price differences between identical or similar investments in different markets and try to exploit them. Such strategies include equity-market neutral, fixed-income arbitrage, convertible-bond arbitrage and mortgage-backed-securities arbitrage. 	164 165 166

– Event-driven

Managers that pursue this kind of strategy try to make a profit from events such as upcoming changes in a company (mergers, takeovers, restructurings, turnarounds, etc.). Examples of such strategies are merger arbitrage, distressed securities and special situations. 167

– Global macro

Hedge funds that pursue global macro strategies attempt to identify macro-economic developments such as changes in interest or exchange rates at an early stage and exploit them for profit. This category includes growth funds and emerging market funds. 168

– Managed futures

This type of hedge fund deals in futures (standardised, exchange-listed contracts) on financial instruments, currencies and commodities. 169

What risks do you take on when you invest in a hedge fund?

Generally speaking, hedge fund managers do not need to be licensed by an authority and are **largely unregulated**. In particular, hedge funds are not subject to the numerous investor protection regulations that apply to authorised collective investments. These include rules on liquidity, redemption of fund units at any time, avoiding conflicts of interest, fair prices for fund units, disclosure and limitations on borrowing. 170

Since these rules do not apply to hedge funds, they can use much more leverage than traditional authorised funds, and engage in complex investment transactions that are not permitted for traditional collective investments. A hedge fund is allowed to adopt **aggressive strategies** including the widespread use of short selling, leverage, swaps, arbitrage, derivatives and programme trading. Their investment strategies are often highly complex and very intransparent. You will often receive little or no information about changes of strategy that may lead to a significant increase in risk, or receive such information only at a late stage. 171

As part of their investment strategy, hedge funds can also use derivatives such as futures, options and swaps that may be listed for trading on an exchange but do not have to be. These instruments may be subject to significant price volatility, resulting in a **high risk of loss** for the fund. The low margins typically required to build up a position in such instruments mean that high levels of borrowing can be used. Depending on the instrument, a relatively small change in the price of the contract can therefore lead to a large profit or loss in comparison with the capital lodged as collateral and hence to further, unforeseeable losses that can exceed any margin cover. 172

CAUTION Investment vehicles that are not listed on an exchange also involve further risks as there is neither an exchange nor a secondary market where units can be sold or open positions closed out. It may be impossible to unwind an existing position or determine the value or risk of a position. If a hedge fund sells uncovered options on securities, it may be exposing itself to an unlimited risk of loss. 173

Private Equity

What is private equity?

Private equity is a form of risk capital financing for companies that either are **not exchange-listed** or – occasionally – wish to delist. Investments are usually made at an early stage in a company's development, when its chances of success are uncertain and the risks are therefore high. 174

Where private equity flows into young companies (start-ups) or small companies with growth potential that are at an early stage in their development, the term **venture capital** is also used. Private equity now also extends to risk capital made available to a company immediately before it goes public (**late-stage financing, mezzanine financing**). Normally the financing is constructed in such a way that the proceeds of the initial public offering are used to wholly or partially redeem the holdings of the shareholder entrepreneurs. If a change of ownership is financed, for example a delisting, the term **“buyout”** is customarily used. 175

The success of a private equity investment depends on the correct timing of the “exit” or sale and – especially with indirect investments via a fund, for example – on the quality of the private equity manager. The exit can be effected by going public (initial public offering or IPO), a sale to another company (trade sale) or to another private equity fund (secondary sale), or a management buyout. The choice of solution will depend largely on the market conditions prevailing at the time. How easy or difficult the exit phase is, and whether the proceeds meet expectations, will depend on factors such as the performance of the equity markets. 176

What are the risks of private equity investments?

Private equity investments are **not regulated compared to equities listed for trading on an exchange**. This means that investors may be exposed to more risks, for example due to lack of transparency (e.g. limited access to financial statements, lack of publication). 177

Private equity investments involve considerable risks and can lead to substantial losses. They are based on a long-term approach and are much less liquid than exchange-listed equities. Normally, private equity investments cannot be sold until some years after the original investment. You should be aware that your capital will be tied up, either completely or with access subject to restrictions, for a long time. No distributions are made prior to exit from investments. You do not normally have any entitlement to exit early. 178

Companies that are potential candidates for private equity investments may have high levels of borrowing and therefore be more sensitive than established companies to negative market developments such as rising interest rates. There is also a greater danger of the company becoming insolvent and going bankrupt than with listed companies.

CAUTION It is not unusual for further calls for capital to be made at short notice after the initial investment. If you fail to comply with such a demand, you may lose all the capital you have invested up to that time. 179

CAUTION A change of management in a young company where the personality of the individuals occupying key functions is a particularly important factor can have a highly detrimental effect on a private equity investment. 180

What do you need to bear in mind when making indirect investments

With **indirect investments**, there is no guarantee that the manager of a private equity fund will be able to make investments and generate profits that fulfil the expectations for this form of investment. The abilities of the private equity manager are therefore crucial to the success of an indirect investment. 181

Real Estate

How can you invest in real estate? Investments in real estate can be made directly or indirectly. Real estate comprises **office buildings, retail and industrial premises, residential property and special real estate** (such as hotels or hospitals). The variables that determine the value of a property are its location, construction, equipment fittings and the variety of ways in which it can be used. 182

What do you need to bear in mind when making direct investments? A **direct investment** involves actually buying property. This will usually require a high capital outlay, a long term investment horizon, in-depth knowledge of the sector, familiarity with the location and often personal involvement, as property needs to be professionally managed. 183

What about indirect investments? **Indirect investments** in real estate generally require a lower capital outlay than direct investments. Indirect investments are divided into those that are exchange-listed and those that are not. Examples of unlisted indirect investments include real estate funds, shares of real estate companies that are not listed for trading on an exchange, and certificates on real estate funds. Real estate funds can reduce risk by diversifying across geographical areas and real estate categories. The main category of exchange-listed indirect investments is real estate investment trusts (REITs). These enable investors to invest in real estate without incurring certain disadvantages, such as illiquidity. 184

What risks do you need to be aware of? Real estate investments are based on physical assets – land and buildings – that are ultimately **unique, and in which trading is not regulated.** 185

Where real estate is concerned, it is therefore often **difficult, or even impossible, to spread risks adequately or diversify investments sufficiently.** With direct real estate investments especially, the high capital outlay required and the illiquidity of the property market makes diversification difficult or even impossible. 186

Property markets are also frequently **intransparent,** and require precise knowledge of local circumstances. It is therefore vital to involve local experts, which hampers access to the market. 187

Real estate often reacts to **interest rate changes** in a similar way to bonds: when interest rates are low, for instance, mortgages are cheap and it is easy to generate above-average profits. Conversely, high interest rates cause profits to contract. Fiscal incentives offered by the state to promote home ownership and attractive lending conditions can also lead to excessively high prices. 188

Precious metals and other commodities

What are commodities? Commodities are **physical goods that are produced via agriculture and mining, for example, and standardised for use as the underlying of a transaction.** Derivatives on commodities such as energy sources, precious and other metals, and agricultural products are traded on futures markets. 189

Contractual agreements allow investors to buy or sell **futures** linked to the performance of a particular commodity. This means that they can buy a standardised amount of a commodity at a specific time in the future for a specific price. 190

The commonest way in which private individuals invest indirectly in commodities is via structured products (see 107 ff. above). There are other alternatives, such as **commodity swaps and options** that are not listed for trading on an exchange. These are traded directly between the parties concerned and are tailor-made products. More information on how forwards and futures work can be found in a separate section of this brochure (see 86 ff. above). 191

CAUTION With commodity futures, you may receive physical delivery of the commodity concerned on expiration, while structured products normally provide for cash payment. If you prefer cash settlement, you will have to sell the futures before their expiration date. Such products are therefore more risky than, for instance, equities or collective investments. 192

What are the risks of commodity investments?

The price of commodities is influenced by a number of factors. These include: 193

- the relationship between supply and demand
- climate and natural disasters
- state programmes and regulations, national and international events
- state intervention, embargoes and tariffs
- movements in interest and exchange rates
- trading in commodities and the corresponding contracts
- provisions relating to monetary policy, trading, fiscal and currency controls.

These variables can lead to additional investment risks.

Commodities investments are **more volatile than conventional investments**, and yields on commodities can collapse at short notice. The volatility of commodity prices also affects the value, and hence the price, of a futures contract based on those commodities. 194

Conventional futures on oil, base and precious metals are normally easy to trade, regardless of their term.

CAUTION When market activity is limited, a contract can become illiquid. Depending on how the yield curve moves, such **illiquidity** can lead to **significant price changes**. This is a typical feature of commodities. 195

Investments in Emerging Markets

What are emerging markets?

There is no standard definition of the term “emerging markets”. In the broadest sense it includes **all economies that are not regarded as “advanced”** (see 197 below). Common criteria for defining what is an emerging market are per capita income, the level of development of the financial sector, and the proportion of the total economy that is made up by the service sector. 196

The creditworthiness of countries that fall within this definition can vary widely: from very high to very low, with – in the latter case – very high default risk.

Although they can be at very different stages in their economic development, most emerging markets have a political system that is very new (for instance they have only recently become democracies) or is currently changing. This means that the political system and its institutions may be less stable than in an advanced nation.

Which countries are deemed to be “advanced economies”?	The list of emerging markets is changing constantly. According to the criteria applied by the International Monetary Fund in October 2007, they include all countries except: Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the UK and the US. These nations are classed as having advanced economies.	197
Which factors should you be especially aware of when making investments in emerging markets?	There are risks linked to investments in emerging markets that are not encountered in their advanced counterparts. This is also the case when the issuer or provider of a product has its headquarters or primary focus of activity in an emerging nation.	198
	CAUTION Investing in products linked to emerging markets is therefore often speculative. Before investing in emerging markets, you should form an impression of them that allows you to assess the risks involved.	199
What are the individual risks involved?	When investing in emerging markets, the following risks should be taken into account. The list is not exhaustive. Depending on the type of investment product, there may be additional risks involved as described elsewhere in this brochure.	200
	Political risk A government’s political inexperience or the instability of the political system increases the risk of short-term, fundamental shifts in a nation’s economy and politics. The consequences for you as an investor can include the confiscation of your assets with no compensation, the restriction of your rights of disposal over your assets, or government-imposed controls. State intervention in specific sectors of industry can result in a dramatic fall in the value of investments in those sectors.	201
	Economic risk Emerging market economies are more sensitive to changes in interest and inflation rates, which are in any case subject to greater swings than in the developed nations. The focus of such economies is often relatively narrow, allowing single events to have a magnified impact. In addition, emerging nations generally have a lower capital base. Finally, their financial markets often lack an adequate structure and sufficient supervision.	202
	Credit risk Investments in debt securities (e.g. bonds, notes) issued by emerging market governments or companies tend to entail higher levels of risk than advanced market debt. This can be due to inferior creditworthiness, a high level of government debt, debt restructuring, a lack of market transparency or a lack of information. It is also much more difficult to assess credit risk due to inconsistent valuation standards and the absence of ratings.	203
	Currency risk The currencies of emerging market nations are subject to unpredictable fluctuations in value that are larger than those of advanced countries. Some countries limit the export of their currency or can impose short-term restrictions, or stop pegging their currency to a reference currency such as the dollar. Hedging can help limit losses resulting from currency swings, but they can never be entirely eliminated.	204

Inflation risk

Large fluctuations in the value of the currency and an insufficiently developed financial market can make it difficult for an emerging market nation's central bank to stick to its inflation targets. As a result, inflation may fluctuate more than in advanced countries. 205

Market risk

Because there is little or no supervision of financial markets in emerging market nations, regulation, market transparency, liquidity and efficiency are often inadequate. Moreover, high volatility and large price differences are characteristic of these markets. Finally, the inadequacy or absence of regulatory measures gives rise to an increased danger of market manipulation or insider trading. 206

Market liquidity risk

Liquidity is dependent on supply and demand. The impact on the emerging markets of social, economic and political changes or natural disasters can involve a much more rapid and lasting change to this supply and demand equation than would be the case in the advanced markets. In an extreme case, illiquidity can be the result. This can make it impossible for an investor to sell his/her investments. 207

Legal risk

The absence or inadequacy of financial market supervision can lead to your legal rights being difficult or impossible to enforce. Moreover, legal uncertainty may exist due to the inexperience of the emerging nation's judiciary. 208

Settlement risk

Certain emerging markets have an array of different clearing and settlement systems. These are often outmoded and prone to processing errors as well as considerable delays in settlement and delivery. Some countries do not have any such systems at all (see 14 above). 209

Shareholder risk and creditor risk

Legislation to protect the rights of shareholders and creditors (e.g. duties of disclosure, insider trading ban, management responsibilities, minority shareholder protection) may often be inadequate or non-existent. 210

Appendix: Definitions

Advanced market	197 ff.
All-or-nothing option	65
American-style option	24, 43, 46, 75
Asian option	68
Asset-Backed Securities (ABS)	144, 150 ff.
At the money	28 ff.
Average-rate, average-strike option	See Asian option
Barrier Option	60 ff.
Binary option	See Payout option
Call Option	7, 20 f., 26 ff., 37 ff., 48 ff., 72 f.
Capital protection	108, 116 ff.
Cash Settlement	27, 97 ff., 192
Certificate	156, 184
Clearing and Settlement	Exchange of securities for payment between securities traders, in Switzerland through SIS SegInterSettle AG
Cliquet option	77 ff., 79
Closing out	34, 94
Code of conduct for securities dealers	Professional rules of conduct issued by the Swiss Bankers Association for securities dealers (see Securities dealer) in Switzerland, describing their statutory (see Stock Exchange Act) duties of information, due diligence and good faith towards their clients
Collateralized debt obligations (CDO)	144, 147 ff.
Collective Investment Schemes Act	(Swiss) Federal Act on Collective Investment Schemes of 23 June 2006, which entered into force on 1 January 2007 (Classified Compilation of Federal Law 951.31)
Combination	105
Compound option	82 f.
Contingent option	75
Covered option	48 ff.
Credit and catastrophe derivatives	142
Credit default swap (CDS)	Credit derivative whereby one counterparty undertakes to compensate the other counterparty for future credit losses (i.e. take on credit risks) in return for a premium 147
Credit-linked notes (CLN)	144, 145 f.
Credit risk	84, 147, 203
Creditor risk	210
Currency risk	204
Derivative	Financial contract for which the price is derived either from assets such as equities, bonds, commodities or precious metals, or from benchmarks such as currencies, interest rates and indices 3 ff., 16, 23, 49
Digital option	See Payout option
Double-barrier option	See Barrier option
Economic risk	202
Emerging market	17, 159, 168, 196 ff.
European-style option	25, 75

Exotic option	55, 58 f.
Expiration date	20 f.
Financial instrument	Generic term for all securities, book-entry securities and derivatives, including those that are not standardised and suitable for mass trading (on standardised securities suitable for mass trading, see Security)
Force majeure	Events neither party in a transaction can influence or be held liable for, such as natural or man-made disasters, armed conflicts, terrorist attacks, uprisings, employment disputes (strikes and lockouts), embargoes, etc.
Hedge fund	159 ff.
Hedge fund strategies	164 ff.
In the money	28, 37, 67, 76
Indirect investments	156
IPO (Initial public offering)	The first sale of previously unlisted shares by a company to the public, commonly known as “going public” (as distinct from issuance) 176
Issuance	Creation and placement of securities in the primary market (as distinct from “Initial public offering [IPO]”) 113, 116, 120 f.
Issuer	5, 12, 107, 110 ff., 114, 132, 146, 152, 198
Issuer risk	111, 146, 152
Kick-in, kick-out barrier option	See Barrier option
Knock-in, knock-out barrier option	See Barrier option
Ladder option	77 ff.
Legal risk	208
Leverage effect	Enhanced exposure to losses and gains due to price changes 22, 135, 159
Lock-in, lock-out option	See Payout option
Lock-up period	161
Lookback option	71 ff.
Margin, margin cover, variation margin, margin requirement	35 ff., 44, 47, 91 ff., 100 f.
Market liquidity risk	207
Market maker	A securities dealer (see Securities dealer) who undertakes, either permanently or on request, to maintain firm bid and offer prices for one or more financial instruments (see Financial instrument)
Market risk	114, 206
Mortgage-backed securities (MBS)	150
Nominal Value	Face value or par value
Non-traditional investments, non-traditional funds	153 ff.
Off-exchange trading	See OTC trading
Offshore investments	Investments (often in form of funds or limited liability partnerships) domiciled in countries where they are subject to a comparably weaker legislation and supervision 157 f.
One-Touch digital option	65
On-exchange trading	Trading, especially with securities and rights not embodied in a certificate but with similar functions (book-entry securities; see Securities) on an organised, regulated market (the “secondary market”), as opposed to issuance (which takes place on the “primary market”; see Issuance)

Option	4 ff., 20 ff.
OTC	Trading with securities which are not traded on a stock exchange, are agreed on an individual basis and not standardised
OTC (over-the-counter) forward	89, 104
OTC option	34, 55
Out of the money	29
Outperformance option	80
Participation component	118 f., 123 f.
Path-dependent option	58 ff.
Payout option	64 ff.
Physical settlement, physical delivery	26, 41, 46, 51, 84
Plain vanilla option	55 f., 59
Political risk	201
Price-lookback, strike-lookback option	See Lookback option
Private equity	174 ff.
Put option	7, 20 f., 26, 28 f., 37 f., 45 f., 55, 72 f.
Ratchet option	See Cliquet option
Real estate investment trust (REIT)	184
Securities dealer	Natural person or legal entity that offers new securities (see Security) publicly on the primary market on a professional basis, and/or trades securities on the secondary market or creates derivatives (see Derivative) which it offers publicly. 1, 5, 8, 10 f., 15, 17, 19, 35 f., 54, 92, 105
Security	Standardised certificate which is suitable for mass trading, as well as rights not embodied in a certificate but with similar functions (book-entry securities). They include equities, bonds, units of investment funds and derivatives (see also Derivative), and must be offered to the public in a standardised form and denomination, or sold to more than 20 buyers 1, 2, 5, 13
Settlement risk	14, 209
Shareholder risk	12, 210
Short put option	Sale of a put option whereby the seller (writer) undertakes to buy the underlying at the strike price on the strike date
Short selling	91, 103, 165
Spread option	80
Stock Exchange Act	(Swiss) Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, which entered into force on 1 February 1997, with subsequent amendments (Classified Compilation of Federal Law 954.1) 1, 8, 17
Strike price	20 f., 27 ff., 40 ff., 45 ff., 51 ff., 61, 68 ff.
Structured product	107 ff.
Swap	Contract for the exchange of payment streams; not traded on-exchange or en masse. See OTC 142, 147, 171 f.
Time value	31, 38
Traded option	33, 35
Underlying, underlying asset	The asset on which a derivative financial instrument is based. Examples include interest rates, equities, bills, etc. Increasingly, derivatives are also traded on alternative underlyings such as catastrophe risks and weather as well as credit risks, although these underlyings are not traded assets in their own right. 3, 20 ff., 26 ff., 59 ff., 80, 86 f., 96 ff., 107 ff.

Volatility Range within which a price or rate is expected to fluctuate
31, 206

Warrant 32, 55

Writer (of an option) Seller (of an option)
21, 26, 40 f., 45 f.

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Appendix A to CFTC Rule 1.55(c) - Generic Risk Disclosure Statement

Risk Disclosure Statement for Futures and Options

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

Futures

1. Effect of "Leverage" or "Gearing"

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

2. Risk-reducing orders or strategies

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

Options

3. Variable degree of risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the

option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the option is 'covered' by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Additional risks common to futures and options

4. Terms and conditions of contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

5. Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

6. Deposited cash and property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes or distribution in the event of a shortfall.

7. Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8. Transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

9. Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

10. Trading facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

11. Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

12. Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

I hereby acknowledge that I have received and understood this risk disclosure statement.



CFTC RISK DISCLOSURE STATEMENT - Rule 1.55(b)

The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware of the following points:

1. You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
2. The funds you deposit with a futures commission merchant for trading futures positions are not protected by insurance in the event of the bankruptcy or insolvency of the futures commission merchant, or in the event your funds are misappropriated.
3. The funds you deposit with a futures commission merchant for trading futures positions are not protected by the Securities Investor Protection Corporation even if the futures commission merchant is registered with the Securities and Exchange Commission as a broker or dealer.
4. The funds you deposit with a futures commission merchant are generally not guaranteed or insured by a derivatives clearing organization in the event of the bankruptcy or insolvency of the futures commission merchant, or if the futures commission merchant is otherwise unable to refund your funds. Certain derivatives clearing organizations, however, may have programs that provide limited insurance to customers. You should inquire of your futures commission merchant whether your funds will be insured by a derivatives clearing organization and you should understand the benefits and limitations of such insurance programs.
5. The funds you deposit with a futures commission merchant are not held by the futures commission merchant in a separate account for your individual benefit. Futures commission merchants commingle the funds received from customers in one or more accounts and you may be exposed to losses incurred by other customers if the futures commission merchant does not have sufficient capital to cover such other customers' trading losses.
6. The funds you deposit with a futures commission merchant may be invested by the futures commission merchant in certain types of financial instruments that have been approved by the Commission for the purpose of such investments. Permitted investments are listed in Commission Regulation 1.25 and include: U.S. government securities; municipal securities; money market mutual funds; and certain corporate notes and bonds. The futures commission merchant may retain the interest and other earnings realized from its investment of customer funds. You should be familiar with the types of financial instruments that a futures commission merchant may invest customer funds in.
7. Futures commission merchants are permitted to deposit customer funds with affiliated entities, such as affiliated banks, securities brokers or dealers, or foreign brokers. You should inquire as to whether your futures commission merchant deposits funds with affiliates and assess whether such deposits by the futures commission merchant with its affiliates increases the risks to your funds.

8. You should consult your futures commission merchant concerning the nature of the protections available to safeguard funds or property deposited for your account.
9. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").
10. All futures positions involve risk, and a "spread" position may not be less risky than an outright "long" or "short" position.
11. The high degree of leverage (gearing) that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.
12. In addition to the risks noted in the paragraphs enumerated above, you should be familiar with the futures commission merchant you select to entrust your funds for trading futures positions. The Commodity Futures Trading Commission requires each futures commission merchant to make publicly available on its Web site firm specific disclosures and financial information to assist you with your assessment and selection of a futures commission merchant. Information regarding this futures commission merchant may be obtained by visiting our Web site, www.interactivebrokers.com.

ALL OF THE POINTS NOTED ABOVE APPLY TO ALL FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:

13. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction.
14. Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE COMMODITY MARKETS.

I hereby acknowledge that I have received and understood this risk disclosure statement.



Notice Regarding USA Patriot Act Section 311

Pursuant to U.S. regulations issued under Section 311 of the USA PATRIOT Act, Interactive Brokers will require additional special measures for customers establishing, maintaining, administering or managing an account for, or on behalf of any Section 311 entities. The most recent listing of 311 entities as promulgated by FinCEN, as of April 2, 2020, is as follows:

- ABLV Bank, AS
- Banco Delta Asia
- Bank of Dandong
- Any bank or financial institution of Burma
- Commercial Bank of Syria (includes Syrian Lebanese Commercial Bank)
- Any bank or financial institution of the Democratic People's Republic of Korea
- FBME Bank Ltd.
- FBM Finance Ltd.
- Halawi Exchange Co.
- Any bank or financial institution of the Islamic Republic of Iran
- Kassem Rmeiti & Co for Exchange

Any customers involved with 311 entities will be subject to further review and determination on whether Interactive Brokers will continue the relationship. Additionally, your account with Interactive Brokers may not be used to provide services for the above that would violate other U.S. regulations.

Interactive Brokers may, from time to time, update this notice to include jurisdictions or entities that are added to FinCEN's Section 311 list. Current listings of entities subject to final or proposed rules under Section 311 can be found on the FinCEN website.

GLOBAL FINANCIAL INFORMATION SERVICES SUBSCRIBER AGREEMENT

This Subscriber Agreement (“Agreement”), dated _____ (“Effective Date”), between Global Financial Information Services GmbH (“GFIS”), Gewerbestrasse 11, 6330 Cham, Switzerland, and the undersigned subscriber (“Subscriber”), governs the Subscriber’s subscription (“Subscription”) to any market data or other information accessible through GFIS, including bids, offers, prices, rates, other trading and informative data including information derived therefrom, distributed or made available through GFIS (collectively, “Data”).

1. **Limited Duration, Non-Exclusive, Non-Transferable License:** Subject to the terms and conditions hereof, GFIS grants to the Subscriber and Subscriber accepts, for the term set forth below, a non-exclusive, non-transferable license during the term of the Agreement to receive and use the Data as provided herein.
2. **Professional/Non-Professional Market Data User:** Subscriber will be required to provide certain information to determine whether Subscriber meets the definition of a Non-Professional Subscriber or a Professional Subscriber. Subscriber agrees to provide accurate information and immediately notify GFIS in the event of any change in Subscriber’s information or in Subscriber’s status as Professional or Non-Professional Market Data User.
 1. For Non-Professional Subscribers, the Data is licensed only for personal use. By representing to GFIS that Subscriber is a Non-Professional Subscriber, or by continuing to receive Data at a Non-Professional Subscriber rate, Subscriber is affirming to GFIS that Subscriber meets the definition of a Non-Professional Subscriber. Subscriber shall comply promptly with any reasonable request from GFIS for information regarding the Non-Professional Subscriber’s receipt, processing, display and redistribution of Data.
 2. For Professional Subscribers, the Data is licensed for the internal business use and/or personal use of the Subscriber. Upon request, Professional Subscriber shall make its premises available to GFIS or its agent for physical inspection of Professional Subscriber’s records regarding use of or access to the Data, all at reasonable times, upon reasonable notice, to ensure compliance with this Agreement.
3. **Proprietary Data:** Subscriber acknowledges and agrees that GFIS and/or third-party data suppliers (each, a “Data Supplier”) have proprietary rights to the Data. The Data shall remain the property of GFIS and/or the Data Suppliers and all intellectual property rights attaching to the Data shall at all times remain vested exclusively in GFIS and/or Data Supplier. Neither GFIS nor any Data Supplier shall be deemed to have waived any of its proprietary interests in the Data or intellectual property rights attaching to the Data as a result of providing the Data to Subscriber.
4. **Use of Data:** Subscriber agrees not to sell, lease, reproduce, distribute, or commercially exploit the Data in any manner without written consent of GFIS and any applicable Data Supplier. Subscriber specifically agrees, that Subscriber shall not use or permit another person to use any Data for the purposes of (i) creating derived data products based upon or derived from the Data, (ii) determining or arriving at any price, including any settlement prices, for derivatives contracts, options on derivatives contracts, or like derivatives instruments traded on any exchange and (iii) creating any index or indices (iv) for any other derived works that will be disseminated, published or otherwise used externally. Subscriber will access and use Data solely in compliance with applicable laws, rules and regulations (“Applicable Laws”).
5. GFIS reserves the right to terminate access to all or any portion of the Data, at any time at its discretion, to modify the transmission and delivery times, as well as the transmission speeds, the protocols of the Data rendered, the format and the contents, of the Data provided.
6. GFIS shall further be entitled to suspend or discontinue the access to the Data with immediate effect if the Subscriber infringes any terms of this Agreement; this may include cases where the Subscriber makes use of the Data contrary to this Agreement.
7. Subscriber is not allowed to transfer or disclose Data to third parties except as permitted herein or as required to comply with Applicable Laws.
8. **Term and Termination:** This Agreement shall start on the Effective Date and shall continue on a

month-to-month basis at the then-current Fees until terminated by Subscriber or GFIS as follows:

1. Subscriber must provide 30 days' notice to GFIS of termination with the termination being effective at the end of a calendar month.
 2. GFIS may terminate this Agreement at any time upon notice to Subscriber. GFIS may terminate this Agreement immediately with or without notice to Subscriber in the event that Subscriber breaches any term of this Agreement (in which case, Subscriber shall immediately forfeit the right to receive Data for the current and all future subscription months).
9. Fees and Automatic Billing: Subscriber shall pay fees to GFIS in accordance with the then-current Fee Schedule on the GFIS website (www.gfis.info) for the right to access and use the Data plus any applicable taxes (together the "Fees"). GFIS reserves the right to change the Fees at any time for any reason, but, whenever reasonably practicable (i.e., provided third-party market data vendors and exchanges give GFIS a timely notice of their respective fee changes), GFIS will try to give Subscriber at least 30 days' advance notice of such change with the change being effective at the end of a calendar month.
1. Fees will be charged to Subscriber automatically every month on the first day of the month ("Payment Date"). Subscriber authorizes _____ to deduct the Fees from Subscriber's brokerage account at _____. If _____ is unable to deduct the Fees, then Subscriber shall pay the Fees to GFIS within 30 days of receipt of the invoice. GFIS may assess a late charge at a rate of one percent (1%) per month on all amounts due and not paid within thirty (30) days of the date of GFIS's invoice until the time of payment. Subscriber's failure to pay amounts when due, constitutes a material breach. In addition to all other rights and remedies available to GFIS at law or in equity, GFIS may also suspend delivery of the Data or any component thereof for as long as any amount remains unpaid after such thirty (30) day period. Subscriber shall pay any applicable taxes, including, but not limited to, any VAT, charges or assessments by any foreign or domestic national, state, provincial or local government bodies, or subdivisions thereof relating to the provision of the Data.
 2. Subscriber acknowledges that all Fees are non-refundable when paid (exclusive of double payments and other manifest errors).
 3. All payments due to GFIS (or GFIS affiliate) according to this Agreement shall be made in Swiss francs or other currency as agreed by GFIS and Subscriber.
10. Security Information and Access: Subscriber will obtain a username and/or password or other security code or device (collectively "Security Information") to access Data. Subscriber agrees to keep the Security Information confidential and not to disclose Subscriber's Security Information to third parties. Subscriber may access a Subscription through only one internet-connected computer or mobile device at a time. If the Security Information is lost or stolen, or there is a possibility of it being misused in any way, the Subscriber undertakes to promptly notify GFIS.
11. No Recommendation to Buy or Sell Securities: None of the Data constitutes a recommendation by GFIS or a solicitation or legal, financial or investment advice by GFIS to buy or sell any security or other investment product.
12. No Warranty of any Kind on Data; Limitation of Liability:

1. **SUBSCRIBER AGREES THAT THE DATA IS PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND. SUBSCRIBER AGREES THAT GFIS AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS), AND ANY DATA SUPPLIER AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS), DO NOT MAKE ANY WARRANTIES OF ANY KIND - EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE DATA, OR THE TRANSMISSION, TIMELINESS, SEQUENCE, ACCURACY OR COMPLETENESS THEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OR ANY WARRANTIES OF MERCHANTABILITY, QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR NON-INFRINGEMENT, AND THOSE**

ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM ANY COURSE OF DEALING OR USAGE OF TRADE.

- 2. SUBSCRIBER AGREES THAT GFIS AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS), AND ANY DATA SUPPLIER AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS) SHALL NOT BE LIABLE TO SUBSCRIBER OR ANY THIRD PARTY FOR ANY INACCURATE OR INCOMPLETE DATA OR OTHER MARKET INFORMATION SUPPLIED TO SUBSCRIBER, NOR FOR ANY DELAYS, INTERRUPTIONS, ERRORS, OR OMISSIONS IN THE FURNISHING THEREOF, NOR FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM BY SAID INACCURACIES, DELAYS, INTERRUPTIONS, ERRORS, OR OMISSIONS OR ANY DATA OR SERVICES PROVIDED UNDER OR IN CONNECTION WITH THIS AGREEMENT.**
 - 3. IF THE FOREGOING DISCLAIMER AND WAIVER OF LIABILITY, OR ANY PART THEREOF, SHOULD BE DEEMED INVALID OR INEFFECTIVE, THE CUMALATIVE LIABILITY OF GFIS AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS), AND ANY DATA SUPPLIER AND ITS AFFILIATES (INCLUDING THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS) SHALL NOT EXCEED THE DIRECT AMOUNT OF LOSS OR DAMAGE (EXCLUDING INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND), OR THE AGGREGATE FEES PAID BY SUBSCRIBER TO GFIS OVER THE THIRTY (30) DAYS PRIOR TO THE EVENT GIVING RISE TO SUBSCRIBER'S CLAIM, WHICHEVER IS LESS.**
 - 4. SUBSCRIBER ACKNOWLEDGES AND AGREES THAT NEITHER THE DATA NOR ANY OF THE INFORMATION OBTAINED BY OR THROUGH GFIS ARE INTENDED TO SUPPLY INVESTMENT, FINANCIAL, TAX OR LEGAL ADVICE**
 - 5. SUBSCRIBER ACKNOWLEDGES THAT HE HAS SPECIAL SKILL AND KNOWLEDGE OF FINANCIAL MARKETS AND HE SHALL AT ALL TIMES EXERCISE HIS OWN JUDGEMENT IN THE USE OF THE DATA AND WITH RESPECT TO ANY INFORMATION AVAILABE OR OBTAINED FROM IT.**
13. Indemnification: Subscriber shall indemnify and hold harmless GFIS and the Data Suppliers, and each of their affiliates, and respective directors, officers, employees, agents and licensors, from and against any claim, damages, loss, liability, cost and/or expense (including, but not limited to, reasonable attorney's fees and costs) that directly or indirectly arise from or are caused by (a) any use by Subscriber of the Data, or (b) any breach or violation by Subscriber of any term or condition of this Agreement.
14. Force Majeure: Except for Subscriber's payment obligations, neither GFIS nor Subscriber shall be deemed to be in default of any provision hereof or be liable for any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, power failure or any other cause beyond its reasonable control.
15. Miscellaneous:
1. Each of the Data Suppliers, and each of GFIS's affiliates, is an intended third-party beneficiary of this Agreement, and may enforce all rights and obligations in its favor contained in this Agreement.
 2. This Agreement contains the final and entire agreement between the parties regarding your Subscription and supersedes all previous and contemporaneous oral or written agreements regarding your use of the Subscription.
 3. GFIS may amend this Agreement at any time by posting the amended agreement on its website and give notice to the Subscriber about the changes. Subscriber shall be deemed to have accepted the changes unless Subscriber has given notice of termination at the earliest possible termination date according to section 8 of this Agreement. Otherwise, such amended agreement will become effective immediately upon posting. Subscriber's use of

the Subscription after any amended agreement becomes effective will constitute acceptance of the amended agreement.

4. This Agreement may be assigned without prior notice by GFIS to any third party upon such third party's agreement to comply with GFIS' obligations under this Agreement. This Agreement may not be assigned by Subscriber.
 5. The following provisions shall survive termination of this Agreement: Sections 3, 4, 7, 12, 13, 15a, 15b, 15e, 16 and 17 and 18.
 6. If any part or provisions of this Agreement is held illegal or unenforceable, the validity or enforceability of the remainder of the Agreement shall not be affected.
16. Confidentiality: Each party acknowledges that confidential information relating to the business of the other party may be disclosed to the other party under this Agreement. Each party undertakes to hold such information in confidence and not to disclose it to any third party or use it for any purpose other than in the performance of this Agreement.
17. Privacy Policy:

1. Any personal information sent by Subscriber to GFIS will be subject to the GFIS Privacy Policy, which can be found on GFIS's website. Subscriber acknowledges receipt of the GFIS Privacy Policy. Subscriber consents to monitor the GFIS website for revisions to the GFIS Privacy Policy.
2. GFIS will act as a data controller of Subscriber's personal data within the meaning of the Data Protection Law. GFIS and its affiliates may use, store, disclose, transmit or otherwise process ("Process") any information, including personal information, such as the name, address or age ("Personal Information") provided by Subscriber or their directors, officers, employees, associates, agents, trustees, traders, or representatives to GFIS and/or its affiliates under this Agreement or otherwise acquired by GFIS and/or its affiliates from the foregoing in accordance with and to the extent permitted by the applicable law like the Swiss Federal Act on Data Protection of 19 June 1992 and the General Data Protection Regulation (EU) 2016/679 (together the "Data Protection Law") and for the following purposes:
 1. for the purpose of administering this Agreement;
 2. to provide services to Subscriber;
 3. for the purpose of marketing financial services and products from GFIS;
 4. for statistical purposes and for market research and product analysis and to develop and improve products and services;
 5. to enforce or apply the Agreement and/or other agreements and/or to protect GFISs and/or its affiliates' property or rights and to defend any potential claim;
 6. for the purposes of preventing and detecting money-laundering, terrorism, fraud or other crimes and/or abuses of GFISs and/or its affiliates' services;
 7. to comply with any legal, regulatory or good practice requirement whether originating from the United Kingdom or elsewhere (including but not limited to, the United States), and to fulfil our obligations under any reporting agreement entered into with any tax authority or revenue service(s) from time to time; or
 8. to contact Subscriber in accordance with (and subject to) this Clause, ((1) - (8) collectively, "Purposes").
3. For these Purposes, GFIS and/or its affiliates may transfer or disclose ("Disclosure") Personal Information under the conditions as defined in clause 18 (e):
 1. to any connected company, wherever located throughout the world;
 2. to any person or organization acting on behalf of or engaged by GFIS and/or any of their affiliates to perform, or assist in the performance of, its services or to advise them, provided that they will only be given access to the relevant information for that purpose;
 3. to any counterparties, intermediaries and others where disclosure is reasonably intended for the purpose of effecting the Agreement; and
 4. to any other person to whom GFIS and/or any of its affiliates is permitted to

delegate any of their respective functions.

4. By agreeing to this Agreement, Subscriber freely consents to the Process and Disclosure of Personal Information and agrees to procure such consent from its directors, officers, employees, associates, agents, trustees, traders, and representatives. Subscriber also agrees that the Purposes may be amended to include other uses, transmissions, or disclosures of Personal Information following notification to Subscriber.
5. Subscriber understands and accepts that any Personal Information or any other information or documents relating to Subscribers that are disclosed, transmitted or Processed pursuant to this Agreement may be sent outside Switzerland and the EEA and/or to persons or entities that are not subject to the same legal or regulatory requirements regarding data protection as are provided by Swiss or European law. These disclosures may involve overseas storage and other overseas transfer, processing and use of Personal Information and disclosure to third parties. In case Personal Information is transferred to countries or territories outside of Switzerland and the EEA that are not recognized by the European Commission as offering an adequate level of data protection, GFIS and its affiliates have put in place appropriate data transfer mechanisms, in particular contractual clauses, to ensure Personal Information is protected in compliance with the Data Protection Law. Details of the data transfer mechanism can be obtained by contacting the GFIS Data Protection Office at dpo@gfis.com.
6. GFIS and its affiliates retain Personal Information in an identifiable form in accordance with our policies. Personal Information is retained as long as necessary to meet legal, regulatory and business requirements. Retention periods may be extended if GFIS or its affiliates are required to preserve Personal Information in connection with litigation, investigations and other proceedings. To the extent provided by Applicable Laws, Subscriber has the right to request access to and rectification or erasure of Subscriber's Personal Information; to obtain restriction of the processing of Personal Information; to object to the processing of Personal Information; and to data portability. Subscriber has the right to withdraw consent at any time, subject to Applicable Laws. Subscriber should contact the GFIS Data Protection Office at dpo@gfis.com to exercise any data protection rights. Subscriber may also lodge a complaint with a privacy supervisory authority if Subscriber considers that Personal Information has been processed in violation of Applicable Laws and GFIS and its affiliates failed to remedy such violation to Subscriber's reasonable satisfaction.

18. Arbitration:

1. Any dispute, controversy or claim arising out of or relating to this contract, including the formation, interpretation, breach or termination thereof, including whether the claims asserted are arbitrable, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution (the "Swiss Rules") in force on the date on which the Notice of Arbitration is submitted in accordance with these Rules. The tribunal will consist of three arbitrators in any dispute involving more than CHF 10 million and, in any dispute, involving less than CHF 10 million, the arbitration shall be conducted by a sole arbitrator. The parties shall agree on the arbitrators according to these Swiss Rules. The seat of the arbitration will be _____.
This Agreement and the rights of the parties hereunder shall be governed and construed in accordance with the laws of Switzerland exclusive of conflict or choice of law rules. The language to be used in the arbitral proceedings will be English. Judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.
2. The parties shall maintain the confidential nature of the arbitration proceeding and the award, including the privacy of the hearing and all documents produced and testimony provided in connection therein, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.