



Form 3066 | April 2024

# **CLIENT AGREEMENT FOR PRODUCTS CARRIED BY INTERACTIVE BROKERS (U.K.) LIMITED**



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# GENERAL BUSINESS TERMS

## 1 INTRODUCTION

### 1.1 Introduction and Scope of the Agreement

- 1.1.1 **Client Agreement for Certain Covered Products:** Interactive Brokers (U.K.) Limited ("**IBUK**") is authorised in the United Kingdom by the Financial Conduct Authority ("**FCA**"). The FCA has its address at 12 Endeavour Square, London E20 1JN. These General Business Terms together with the Addendum for certain Covered Products ("**Agreement**") govern the relationship between the client ("**You**", "**your**" or the "**Client**") and IBUK for trading certain products carried by IBUK, including certain index options, futures and futures options and Over-the-Counter ("**OTC**") Products such as Contracts for Difference ("**CFDs**"), Foreign Currencies, and/or Foreign Currency CFDs ("**Forex**"), Precious Metals and OTC Metal Futures (collectively "**Covered Products**").
- 1.1.2 **This Agreement does not Cover Trading in Other Products:** This Agreement does not cover trading in stocks or shares, bonds, mutual funds, or any product carried in accounts held at IBUK's U.S. affiliate Interactive Brokers LLC ("**IBLLC**") (collectively, "**Other Products**"). For transactions in these Other Products, IBLLC provides trade execution, client money and custody services pursuant to rules of the U.S. Securities and Exchange Commission ("**SEC**") and the U.S. Commodity Futures Trading Commission ("**CFTC**"), as applicable. For transactions in Other Products, a separate agreement applies and in the event of any conflict between this Agreement and such other agreement, the terms and conditions of this Agreement shall control with respect to transactions related to Covered Products.
- 1.1.3 **Trading of OTC Products is Highly Risky:** Trading OTC Products such as CFDs, Forex, Precious Metals and OTC Metal Futures is highly risky due to the speculative and volatile markets in these products and the leverage (margin) involved. Trading these products may result in loss of funds greater than you deposited in the account. You represent that you have reviewed the relevant risk disclosures provided separately and are willing and able to assume the risk of trading these products. You represent that when you enter into any OTC Product transaction with IBUK, you do so for investment purposes and not for commercial purposes.

### 1.2 Client Categorisation

- 1.2.1 Unless we have specifically notified you in writing to the contrary, we have categorised you as a Retail Client under the rules of the Financial Conduct Authority ("**FCA Rules**"). You have the right to request a different client categorisation, although we are not bound to agree to such a request. However, if we do agree and you are recategorised, you would lose the protection afforded by certain FCA Rules. If we have categorised you as a Professional Client, as defined in the FCA Rules, we will have specifically notified you in writing.

## 2 SERVICES AND TRADING

### 2.1 Investment Services

- 2.1.1 **No Investment, Tax or Trading Advice:** IBUK does not provide investment, tax or trading advice. Our service is merely to provide execution services, meaning that we are only acting on your instructions and will not advise you on any transaction. IBUK employees are not authorised to provide advice or recommendations. In providing these services, we will act honestly, fairly and professionally in accordance with the best interests of our clients and in compliance with all applicable laws and regulations including, without limitation, the constitutions, articles, by-laws, rules, regulations, policies, procedures and interpretations (collectively, "**Rules**") of: (i) the exchanges, markets and clearing houses to which orders are routed or transactions are executed or cleared; (ii) the Financial Conduct Authority ("**FCA**"); and (iii) any other regulatory, self-regulatory or governmental authority to which we are subject ("**Applicable Law**"). We may provide you with information about Covered Products, including their terms of performance. However, in providing such information IBUK will not be making any personal recommendation to you or advising you on the merits of any such Covered Product, and you will be responsible for making your own assessment of such information. For the avoidance of doubt, we are not required to assess the suitability of any Covered Product or service provided or offered and you will therefore not benefit from the protection of the FCA Rules on assessing suitability. Nothing on the IBUK website is or shall be deemed a personal recommendation or solicitation to buy



or sell any investment product. IBUK does not endorse and is not responsible for any advice, representation, content or other information provided by third parties, including but not limited to any such information or third party referenced by or accessed through any Interactive Brokers website, application or platform, including but not limited to the “IBKR Investors Marketplace”.

- 2.1.2 **Important Supplemental Information Provided on IBUK Website:** IBUK will provide important supplemental information about Covered Products, including CFDs and other OTC Products, on the IBUK website. This may include information about margin requirements, adjustments arising from corporate actions, settlement and delivery procedures, order execution policies, tax treatment, and other matters. You confirm that you have regular access to the internet, and consent to us providing you with information through our website at [www.interactivebrokers.co.uk](http://www.interactivebrokers.co.uk) or such other website as may from time to time be identified to you.
- 2.1.3 **Key Information Documents:** You consent to be provided with key information documents (“KIDs”) for those Covered Products falling under 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 IBUK website and in the contract details page for the relevant Covered Product. The contract details page is hosted in the Interactive Brokers Trader Workstation (“IB TWS”) and can also be accessed in the product listing page of the IBUK website, KIDs remain accessible on the website, and are capable of being downloaded. For PRIIPs products that are manufactured by IBUK, where a KID has been revised, previous versions can be obtained upon request.
- 2.1.4 **IBUK Trades as Agent or Principal:** IBUK acts as agent for transactions executed on an exchange. Unless otherwise indicated, IBUK generally acts as principal or riskless principal in OTC transactions. Your OTC transactions are executed against IBUK, which may have a long or short position and may profit or lose in connection with the transaction, or may hedge or effect it against or through an affiliate or third party who may profit or lose. When IBUK accepts an order or executes a transaction for you where we access external execution venues (including third party Systematic Internalisers as defined in the FCA Rules) as agent or riskless principal, IBUK does so as an executing broker and not as a Systematic Internaliser.
- 2.1.5 **This Agreement does not Obligate the Client or IBUK to Enter into any Particular Transaction, or any Transactions:** You are not obligated to make any trades under this Agreement. Likewise, IBUK is not obligated to accept any particular order from you and IBUK is not obligated to enter into any particular transaction for or with you. IBUK has sole discretion to decide whether to quote a market in particular products, whether to deal or broker deals in particular products and whether to enter into a transaction with you for particular products. IBUK’s entry into a transaction in a product does not obligate IBUK to continue to deal in that product in the future or enter further transactions with you in that product.
- 2.1.6 **Use of IBUK’s services:** IBUK may terminate the Client’s use of IBUK’s services at any time in IBUK’s sole discretion without prior notice to the Client. IBUK may also decline to accept, to execute or to cancel any Client order, or may otherwise restrict, in whole or in part, the Client’s use of IBUK’s services at any time, for any length of time, in IBUK’s sole discretion, without prior notice to the Client. Such restrictions on trading activity may include, but are not limited to: (i) prohibiting the Client from engaging in trading of (or entering orders to open or increase the size of a position in any individual financial instrument or category of financial instrument; (ii) prohibiting certain types of trades or orders; or (iii) limiting order size or value at risk. Notwithstanding the above, the Client remains responsible for its orders and transactions without regard to whether IBUK restricts, or does not restrict, the Client’s trading activity. All transactions are subject to rules and policies of relevant markets and clearing houses, and Applicable Laws. **IBUK IS NOT LIABLE FOR ANY ACTION OR DECISION OF ANY EXCHANGE, MARKET, DEALER, CLEARING HOUSE OR REGULATOR, OR THE DIRECT OR INDIRECT CONSEQUENCES THEREOF.**
- 2.1.7 **Suspicious Activity:** If IBUK in its sole discretion believes or suspects that a Client’s account(s) has been involved in any fraud or crime or violation of Applicable Law, or has been accessed unlawfully, or is otherwise involved in any suspicious activity (whether victim or perpetrator or otherwise), IBUK may suspend or freeze the account or any privileges of the account, may freeze or liquidate funds or assets, remove funds and/or assets from your account, or may utilise any of the remedies in this Agreement for a “Default”. You waive any claim for loss or damages against IBUK arising out of or related to IBUK exercising its rights under this Section. We are entitled to report to any relevant regulatory authority any transaction undertaken by you that may constitute a breach by you of any Applicable Law.

## 2.2 Executing Orders and Confirmations

2.2.1 **Order Execution:** IBUK will execute Client orders in accordance with the terms of our Order Execution Policy. When executing a Client order, IBUK will take all sufficient steps to deliver best possible result, but IBUK cannot guarantee delivery of best execution on every single order executed on behalf of the Client. This may be for a variety of reasons, including, for example: other dealers/markets may have better prices, IBUK may not have access to every dealer/market; other orders may trade ahead of yours; dealers or market centres may not honour posted prices; or market/dealer rules, decisions or system failures may prevent/delay execution of orders or cause orders not to receive the best possible outcome. A summary of our Order Execution Policy has been published on the IBUK website under 'Forms and Disclosures'. You consent to receiving a copy of our Order Execution Policy in this way. **You expressly consent and agree to: (a) the terms of our Order Execution Policy; and (b) your orders being executed in accordance with the Order Execution Policy. You expressly consent and agree to IBUK executing orders outside a trading venue (i.e. outside of a regulated market, multilateral trading facility or organised trading facility) in certain circumstances, as it is permitted under the terms of the Order Execution Policy.** You have the right to request information from IBUK in respect of the entities in which orders are placed for execution. IBUK will provide this information upon reasonable request from you. IBUK may act as agent both for buyer and seller in a transaction. IBUK may use another broker or dealer, or an IBUK affiliate to execute orders, and in such cases the executing party shall have the benefit of all IBUK's rights hereunder.

A. **Proprietary Trading – Display of Client Orders:** The Client authorises IBUK to execute proprietary trades for itself and its affiliates, even though IBUK may simultaneously hold unexecuted Client orders for the same products at the same price. The Client further agrees that IBUK may trade with the Client for its own account or for an IBUK affiliate or another client and may earn a profit on those trades.

2.2.2 **Quotations:** For orders that you send to us, the execution price and confirmation in relation to each transaction shall reflect our current quotations within the IBUK platform when your order has been received and has become executable and has been executed by us. Due to inherent delays in telecommunications, a transaction may be executed at a price worse than the displayed quotation (e.g., if another client order has already taken all of the volume at our displayed quote, or if our quote was in the process of being updated when your order was in transit), especially if you use market orders. We therefore strongly recommend the use of client limit orders.

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

B. **Special Risks of Algorithmic Orders:** IBUK makes available various order types that use computerised algorithms. These order types allow the Client to input various conditions as part of an order placed with IBUK. The Client agrees that if algorithmic order types are used, it is the Client's responsibility to understand how the order type works, including through review of the information on the IBUK website describing particular order types. Algorithmic trading involves special risks, including, among others, the risk of software or design flaws, technical errors, adverse market impacts from algorithmic orders and rapid losses. The Client understands and agrees to accept these risks when using algorithmic orders and the Client waives any right to make claims against IBUK in connection with such orders.

C. **Fast and Volatile Markets:** During periods of heavy trading and/or fast or volatile market conditions with wide price fluctuations ("**Fast Markets**"), there may be delays in IBUK executing the Client's orders or providing trading activity reports to the Client. If the Client places a market order in a Fast Market, there may be a significant difference in the quote the Client receives prior to or at the time the Client places the order and the execution price the Client receives. By placing a market order under such conditions, the Client accepts this risk and waives any claim related to a difference between quoted and execution price. If IBUK, in its sole discretion, believes any particular stock is or may be volatile, IBUK may, but is not obligated to, decline to allow clients,



including the Client, to place orders for that stock through IBUK's systems.

2.2.3 **Orders; Order Cancellation/Modification:** Orders to sell (buy) a product when you have a long (short) position will be construed as orders to close out the long (short) position in the amount of the sell (buy) order, and if the size of the sell (buy) order exceeds the long (short) position, will be construed to close the entire position and open a short (long) position in the remaining amount of the order. Once an order or instruction has been given to us it cannot be cancelled or modified without IBUK's consent. You acknowledge that it may not be possible to cancel/modify an order and that you are responsible for executions notwithstanding a cancel/modify request. IBUK shall have no responsibility for any orders or instructions that were entered by you or your Authorised Users (as defined below) in error and notwithstanding such error we shall be entitled to process them accordingly.

2.2.4 **Information Security; Responsibility for Client Orders/Trades:** The Client consents and agrees that the Client is responsible for all orders and instructions sent to IBUK using the Client's user name/password and other security protocols (collectively "**Security Information**"), and that IBUK will assume that such orders and instructions originate from the Client and that IBUK is absolutely entitled to accept such orders and instructions.


The Client will not allow anyone to access the Client's account, unless IBUK is notified and agrees in writing to allow the Client to appoint an authorised user ("**Authorised User**"). The Client agrees that Security Information will only be used by the Client and that the Client's Security Information will not be disclosed to third parties. The Client agrees to put in place and maintain appropriate security arrangements to prevent the theft or unauthorised use of the Client's Security Information, including but not limited to maintaining Security Information in a safe place, using security software, disconnecting from the IBUK website and trading system when not using them, changing passwords periodically, and other measures.

The Client agrees to notify IBUK immediately by contacting the IBUK Customer Service Department by telephone and to confirm in writing immediately thereafter, or electronically through our website, if the Client suspects or becomes aware of the theft or unauthorised use of Security Information or that the Client's account has been accessed by an unauthorised person. IBUK is not liable for any loss or damage caused by any third party using the Client's Security Information.

2.2.5 **Confirmations and Reporting Errors:**

- A. IBUK will promptly provide, or arrange for an affiliate to provide: (i) confirmations of order executions or cancellations; (ii) periodic statements, at least monthly; (iii) a summary statement of costs and charges, at least annually; and (iv) an illustration of the cumulative effect of costs on returns, at least annually. Any confirmation, statement or illustration to be provided by IBUK will be displayed on the Client's Account Management section of the IBUK website. A transaction shall be deemed executed when your order is confirmed as executed by IBUK. The Client will monitor each order until IBUK confirms execution or cancellation. The Client acknowledges that confirmations of executions or cancellations may be delayed or may be erroneous (e.g., due to computer system issues or inaccurate reporting) or may be cancelled/adjusted under appropriate circumstances (including by an exchange, market or dealer).
- B. IBUK has no responsibility for the Client's transmissions of orders that are inaccurate or not received by IBUK, and may execute any order or trade on the terms actually received by IBUK. The Client is bound by the actual order execution, if consistent with the Client's order as entered. In the event that a transaction is confirmed by IBUK as executed, and it is later cancelled by an exchange, trading network or regulatory authority, the confirmed transaction will also be deemed cancelled and the Client will be informed accordingly.
- C. The Client agrees to notify IBUK immediately (but in no event within more than one (1) business day) by telephone or electronically through the IBUK website if: (i) the Client fails to receive an accurate confirmation of an execution or cancellation; (ii) the Client receives a confirmation that is different than the Client's order; (iii) the Client receives a confirmation for an order that the Client did not place. If the Client fails to notify IBUK immediately, IBUK reserves the right to remove the trade from the Client's account or require the Client to accept the trade, in IBUK's sole discretion. The Client shall provide IBUK with immediate notice upon receipt of erroneous information in any account statement or other form not addressed in (i)-(iii) above.

## 2.3 Quotes, Market Information, Research and Internet Links

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- 2.3.1 Quotes, news, research and information accessible through IBUK (including through links to outside websites) ("**Information**") may be prepared by IBUK and/or its affiliates, and/or independent providers. The Information is the property of IBUK, and/or its affiliates, and/or the providers or their licensors and is protected by law. The Client agrees not to reproduce, distribute, sell or commercially exploit the Information in any manner without written consent of IBUK or the providers. IBUK reserves the right to terminate access to the Information. None of the Information constitutes a recommendation by IBUK or a solicitation to buy or sell. Neither IBUK nor the providers guarantee accuracy, timeliness, or completeness of the Information, and the Client should consult an advisor before making investment decisions.
- 2.3.2 RELIANCE ON QUOTES, DATA OR OTHER INFORMATION IS AT THE CLIENT'S OWN RISK. IN NO EVENT WILL IBUK OR THE PROVIDERS BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES ARISING FROM USE OF THE INFORMATION. THERE IS NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION, INCLUDING WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR USE, OR WARRANTY OF NON- INFRINGEMENT. IBUK IS NOT RESPONSIBLE FOR DETERMINING WHETHER THE CLIENT IS ENTITLED TO RECEIVE OR SUBSCRIBE TO ANY RESEARCH SERVICES LISTED ON THE IBUK WEBSITE OR FOR THE CLIENT COMPLIANCE WITH APPLICABLE LAWS IN RELATION TO RESEARCH SERVICES. THE CLIENT UNDERTAKES TO NOTIFY IBUK IF THE CLIENT CONSIDERS NOT TO BE ENTITLED TO ACCEPT AND RETAIN ANY OF THE RESEARCH SERVICES LISTED ON THE IBUK WEBSITE. Subscription to research services is subject to the charges disclosed on the IBUK website. You may pay for the subscription directly from your own resources, from a separate research payment account, or as otherwise permitted under Applicable Laws.

### 3 CUSTODY SERVICES

#### 3.1 Client Money and Custody

- 3.1.1 For transactions subject to this Agreement, IBUK provides client money and safe custody services directly, subject to the FCA Rules. IBUK is not a member of the U.S. Securities Investor Protection Corporation ("**SIPC**") and your assets held by IBUK in connection with Covered Products described in this Agreement are not protected by SIPC.
- 3.1.2 **Holding your Money**
- 3.1.2.1 Your money will be held by IBUK as client money in accordance with the applicable FCA client asset regulations ("**CASS Regulations**"), which among other things, require IBUK to hold your money in one or more client bank accounts segregated from IBUK's own funds. To the extent permitted by the CASS Regulations, IBUK may allow another organisation, such as an exchange, clearing house or an intermediate broker, which may include affiliates, to hold or control client money for the purpose of a transaction for you through or with that organisation, or to meet any obligation.
- 3.1.2.2 As permitted under FCA Rules, your money may be held in a client money bank account with a notice period of up to 95 days for any withdrawals. This means that there is a risk that your money may not be immediately available for withdrawal on demand particularly in the unlikely event of an unprecedented and extreme increase in client withdrawals at the same time. However, we endeavour to manage that risk through a periodic review of our cash flows and liquidity and ensuring we have adequate client money to meet your requirements.
- 3.1.2.3 Where IBUK holds your money in such client bank account(s) it may be pooled with the money of other clients of IBUK. This means that in the event of IBUK's failure you do not have a claim against a specific sum held in a specific account, but your claim is only for a share of the total client money held in that pool. Any shortfall in client money held in that pool would be borne by you rateably in accordance with your entitlements in respect of the client money held for clients on this basis. In such circumstances, you may not receive an amount equal to the individual sum owing to you. Where IBUK holds client money, interest will be payable on any client money held at the interest rates specified on the IBUK website (see "**Interest Rates**" under "**Pricing**").
- 3.1.2.4 IBUK will exercise due skill, care and diligence when selecting a bank or banks to hold this client money and will periodically review the bank or banks it has selected to hold client money as required under CASS Regulations. However, IBUK is not responsible under any circumstances for any facts, omissions or default of any bank chosen by it to hold client money. In the event of the insolvency or any other analogous proceedings of a third party holding client money, any shortfall in the amount of money in the relevant client bank accounts may be insufficient to satisfy the claim of all clients in respect of those accounts and you will share proportionally in the shortfall with other creditors of the third party.



- 3.1.2.5 Where your money is held in a credit institution or bank outside the United Kingdom or the European Economic Area (“EEA”), to the extent permitted by the CASS Regulations, the legal and regulatory regime applying to such credit institution or bank may differ to that applicable in the UK and the EEA and your rights in relation to that credit institution may be treated differently to the way it would be treated if it were held in the United Kingdom and the UK Financial Services Compensation Scheme does not apply.

## 4 MARGIN REQUIREMENTS, SECURITY INTEREST, NETTING AND SET OFF


### 4.1 IBUK Margin Policies

- 4.1.1 **Risk of Margin Trading:** Margin trading is highly risky and may result in a loss of funds greater than the Client has deposited in the account.
- 4.1.2 **Margin Requirements and Changes to Margin Requirements:** Margin transactions are subject, to IBUK's margin requirements (“**Margin Requirements**”), which may include initial margin and/or maintenance margin requirements. IBUK's Margin Requirements may exceed the margin required under rules of exchanges or clearing houses or governmental or other regulatory agencies. IN ORDER TO PROTECT THE FIRM AND ALL OF OUR CLIENTS, IBUK MAY MODIFY MARGIN REQUIREMENTS FOR ANY OR ALL CLIENTS FOR ANY OPEN OR NEW POSITIONS AT ANY TIME, IN IBUK'S SOLE DISCRETION. Margin Requirements may be increased for particular clients for some or all products in IBUK's sole discretion (e.g., in the event of a concentrated position or other risk factors).
- 4.1.3 **Valuation:** For the purposes of determining the Client's compliance with Margin Requirements, IBUK will determine in its sole discretion the value of positions and assets in the Client's account. IBUK's calculations may differ from the values or prices disseminated by exchanges or other market data sources. For example, IBUK may calculate its own index values, exchange traded funds (“**ETF**”) values or derivatives values, and IBUK shall have the sole discretion in deciding whether and how to value securities, derivatives, OTC Products or other investment products based on bid price, offer price, last sale price, bid/ask midpoint or using some other method. IBUK may use a valuation methodology that is more conservative than the marketplace as a whole and this may effectively constitute a higher "house" margin requirement, which IBUK has the right to establish. IBUK may raise Margin Requirements in advance of an upcoming change in the required exchange or clearing house margin even before the effective date of such change.

IBUK's house Margin Requirements or risk control parameters may include leverage ratio limits or position size limits for securities, commodities, currencies, OTC Products or other products (for example, IBUK may limit the ratio by which the gross position value of the account may exceed the equity of the account and limit the ratio by which unsettled transactions may exceed account equity). These limits address situations in which there may be little or no apparent market risk in holding a position but there may be settlement or other risk. If these limits are reached or exceeded, your account may not be able to engage in new trades and existing positions may be liquidated without notice.

- 4.1.4 **Requirement to Maintain Sufficient Margin Continuously, at all Times, Including Intraday:** The Client shall monitor their account so that at all times the account contains sufficient equity to meet Margin Requirements. The Client shall maintain, without notice or demand, sufficient equity at all times to continuously meet Margin Requirements. IBUK may reject any order if the account has insufficient equity to meet Margin Requirements, and may delay processing any order while determining margin status. Formulas for calculating Margin Requirements on the IBUK website are indicative only and may not reflect actual Margin Requirements. Clients must at all times satisfy whatever Margin Requirement is calculated by IBUK.
- 4.1.5 **IBUK will not Issue Margin Calls:** IBUK is not obligated to notify the Client of any failure to meet Margin Requirements prior to IBUK exercising its rights under this Agreement, including but not limited to its right to liquidate positions in the Client's account(s). Unlike the practice of some other brokers and dealers who allow intraday or overnight or multi-day "grace periods" for margin compliance, the Client acknowledges that IBUK generally will not issue margin calls; generally, will not allow a grace period in the Client's account for the Client to meet intraday or other margin deficiencies. IBUK is authorised to liquidate account positions immediately in order to satisfy Margin Requirements without prior notice.

**The Client will not rely on IBUK to close or liquidate positions in Client's account in the event Client's account does not comply with Margin Requirements.** The Client will not rely on IBUK's liquidation rights and auto-liquidation systems to function as a stop-loss order. The Client cannot assume that IBUK's general policy to liquidate positions will prevent the Client from losing more than the Client has



deposited. Among other things, market prices may not rise or fall incrementally and IBUK may not be able to close out a position at a price that would avoid losses greater than the margin deposit. Likewise, IBUK may in its discretion delay or decide not to liquidate positions in an account with a margin deficit and shall have no liability for any loss sustained by the Client in connection with such delay of or forbearance from liquidation.

The Client acknowledges and agrees that Margin Requirements and related rules of exchanges, clearing houses and regulators generally are designed to protect the integrity of markets and the capital of broker-dealers that are subject to such rules and are not generally intended to protect the Client. IBUK's failure to apply or enforce Margin Requirements and related rules shall not give the Client any right to bring an action against IBUK and nothing in this Agreement constitutes a warranty or undertaking that IBUK will apply or enforce the Margin Requirements and related rules.

4.1.6 **Liquidation of Positions and Offsetting Transactions:**

- A. THE CLIENT AGREES THAT IBUK HAS THE RIGHT, IN ITS SOLE DISCRETION, BUT NOT THE OBLIGATION, TO LIQUIDATE ALL OR ANY PART OF THE CLIENT'S POSITIONS OR ASSETS IN ANY OF THE CLIENT'S IBUK ACCOUNTS, INDIVIDUAL OR JOINT, AT ANY TIME AND IN ANY MANNER (INCLUDING BUT NOT LIMITED TO PRE-MARKET/AFTER-MARKET TRADING AND PRIVATE SALES) AND THROUGH ANY MARKET OR DEALER, WITHOUT PRIOR NOTICE OR MARGIN CALL TO THE CLIENT IF AT ANY TIME:
- i. THE CLIENT'S ACCOUNT HAS ZERO EQUITY OR IS IN DEFICIT (I.E., NEGATIVE EQUITY);
  - ii. THE CLIENT'S ACCOUNT HAS INSUFFICIENT EQUITY TO MEET MARGIN REQUIREMENTS;
  - iii. IBUK ANTICIPATES (IN ITS SOLE DISCRETION) THAT THE HOLDING OF AN OPTION POSITION OR ANY OTHER POSITION IN THE CLIENT'S ACCOUNT LIKELY WILL RESULT IN A FUTURE MARGIN VIOLATION (FOR EXAMPLE UPON EXPIRATION OF A DERIVATIVE POSITION);
  - iv. AN EVENT OF DEFAULT HAS OCCURRED;
  - v. THIS AGREEMENT HAS BEEN TERMINATED;
  - vi. THE CLIENT SUBMITS, AND IBUK EXECUTES, AN ORDER FOR WHICH THE CLIENT DOES NOT HAVE SUFFICIENT FUNDS; OR
  - vii. IBUK DETERMINES (IN ITS SOLE DISCRETION) THAT LIQUIDATION IS NECESSARY OR ADVISABLE FOR IBUK'S PROTECTION.

UNLESS DIFFERENTLY REQUIRED BY APPLICABLE LAW, THE CLIENT SHALL BE LIABLE AND WILL PROMPTLY PAY IBUK FOR ANY DEFICIENCIES IN THE CLIENT'S ACCOUNT THAT ARISE FROM SUCH LIQUIDATION OR REMAIN AFTER SUCH LIQUIDATION. IBUK HAS NO LIABILITY FOR ANY LOSS SUSTAINED BY THE CLIENT IN CONNECTION WITH SUCH LIQUIDATION (OR IF THE IB SYSTEM DELAYS EFFECTING, OR DOES NOT EFFECT, SUCH LIQUIDATIONS) EVEN IF THE CLIENT RE-ESTABLISHES ITS POSITION AT A WORSE PRICE. FURTHER, UNDER SECTION 4.2.2 BELOW - "CROSS-COLLATERAL AGREEMENT AND AUTOMATIC TRANSFER AUTHORISATION COVERING THE CLIENTS WITH IBUK AND IBLLC ACCOUNTS" - IF YOU MAINTAIN ACCOUNTS AT BOTH IBLLC AND IBUK AND YOU INCUR AN UNPAID MARGIN DEFICIT OR UNPAID DEBT IN YOUR ACCOUNT WITH IBLLC (OR IBUK), YOUR POSITIONS AT IBUK (OR IBLLC) MAY BE LIQUIDATED WITHOUT NOTICE TO COVER SUCH DEFICIT OR DEBT.

- B. IBUK may allow the Client to pre-request the order of liquidation of assets in the Client's account in event of a margin deficiency, but such requests are not binding on IBUK and IBUK retains the sole discretion to determine the assets to be liquidated and the order and manner of liquidation.
- C. If IBUK does not, for any reason, liquidate under-margined positions, and issues a margin call, the Client must satisfy such call immediately as requested by depositing funds into the Client's account. Even if a call is issued, IBUK still may liquidate positions at any time.
- D. If any of the events itemised in (i)-(vii) of Paragraph A. above occurs, the Client agrees that IBUK also has the right, in its sole discretion, but not the obligation, to (i) freeze all or any part of positions





or assets held in the Client's account, or (ii) exercise options positions in the Client's account. IBUK may take these actions without prior notice to the Client.

- 4.1.7 **Options and Other Rights' Expiration:** Prior to the start of the last trading day before expiration, the Client agrees to liquidate (i.e., close out) any long (or short) option position or other rights position that the Client holds for which the Client has insufficient equity or may have insufficient equity at expiration to exercise (or be assigned on) such position and to then carry the resulting underlying position in the Client's account. The Client acknowledges that approaching expiration with long or short options for which the Client does not or may not have sufficient equity to hold the underlying position puts the Client and IBUK at serious risk (including the risk of market movements in the underlying product between expiration and the next opening of the market in the product). If IBUK in its sole discretion determines that the Client has or may have insufficient equity to take the underlying position in the Client's account upon expiration of an option position, IBUK has the right, but not the obligation, to: (i) liquidate some or all of the options or rights position prior to expiration; (ii) lapse some or all of the options (i.e., instruct that they not be exercised), even if in-the-money at expiration; and/or (iii) allow some or all of the options to be exercised or assigned and then liquidate the resulting position. The Client shall have no claim for damages or lost profits resulting from IBUK taking or not taking any of these actions.
- 4.1.8 **Position Limits:** The Client agrees that IBUK, in its sole discretion, may establish position limits and/or may limit the number of open positions that the Client may execute or hold through IBUK. The Client agrees: (i) not to enter into any transaction that would have the effect of exceeding such position limits; (ii) that IBUK may at any time reduce open positions by issuing closeout or offsetting trades, or require the Client to reduce open positions; and (iii) that IBUK may refuse for any reason to accept orders to establish new positions. IBUK may impose and enforce such limits, reduction or refusal even if not required to do so by law or regulation. The Client shall comply with all position limits established by IBUK, any regulatory or self-regulatory organisation, or by any exchange. The Client agrees to submit immediate notice to IBUK if required to file position reports with any regulatory or self-regulatory organisation or with any exchange, and agrees to promptly provide IBUK with copies of any such position reports.

## 4.2 Security Interest and Set Off Provisions

- 4.2.1 **Security Interest:** All of the Client's assets of any kind held by or on behalf of IBUK for the Client's account are hereby pledged to IBUK and are subject to a perfected first priority lien and security interest in IBUK's favour to secure performance of obligations and liabilities to IBUK arising under this or any other Agreement. You represent that any margin transferred to us is free and clear of any liens or security interests, and you agree that you will not create or agree to assign or transfer, any of the margin transferred to us. To the extent allowed by Applicable Law, you agree that we may, free of any adverse interest of yours, grant a security interest over margin provided by you to cover any of our obligations to another broker or dealer or third party, including obligations owed by virtue of the positions held by us or our other clients.
- 4.2.2 **Cross-Collateral Agreement and Automatic Transfer Authorisation Covering Clients with IBUK and IBLLC Accounts:** If the Client maintains account(s) at IBUK and the Client also maintains account(s) at IBLLC, the Client agrees as follows:
- 4.2.2.1 Subject to any regulatory margin or collateral requirements applicable to funds and assets held by the Client at IBUK, the Client grants to IBLLC a lien and security interest in IBLLC's favour over all of the Client funds and assets of any kind held by or on behalf of IBUK, and the Client funds and assets held at IBUK for the Client's account are hereby pledged in IBLLC's favour to secure performance of obligations and liabilities to IBLLC arising under the Client's agreement(s) with IBLLC.
- 4.2.2.2 Subject to any U.S. margin requirements applicable to funds and assets held by the Client at IBLLC, the Client grants to IBUK a lien and security interest in IBUK's favour over all of the Client's funds and assets of any kind held by or on behalf of IBLLC, and, to the extent allowable consistent with U.S. regulations, the Client's funds and assets held at IBLLC for the Client's account are hereby pledged in IBUK's favour to secure performance of obligations and liabilities to IBUK arising under this or any other Agreement between the Client and IBUK.
- 4.2.2.3 Subject to Applicable Law, in the event of a debt or margin deficiency in the Client's IBUK account(s), the Client authorises IBLLC automatically to transfer excess funds from the Client's IBLLC account(s) to the Client's IBUK account(s) to satisfy the deficit. In the event of a debt or margin deficit in the Client's IBLLC account(s), the Client authorises IBUK automatically to transfer excess funds from the Client's IBUK account(s) to the Client's IBLLC account(s) to satisfy the deficit.

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- 4.2.2.4 Subject to Applicable Law, in the event of a "Default" or unpaid margin deficit or unpaid debt of any kind owed to IBUK by the Client, the Client authorises IBLLC, without notice, to liquidate any and all assets in the Client's IBLLC account(s) and transfer sufficient proceeds to IBUK to satisfy the Client's obligations to IBUK. In the event of a "Default" or unpaid margin deficit or unpaid debt of any kind owed to IBLLC by the Client, the Client authorises IBUK, without notice, to liquidate any and all assets in the Client's IBUK account(s) and transfer sufficient proceeds to IBLLC to satisfy the Client's obligations to IBLLC.
- 4.2.2.5 A "Default" of the Client's obligations to IBLLC under the Client's agreement(s) with IBLLC shall also be considered a "Default" under Section 4.2.3 of this Agreement and, in such event, IBUK and IBLLC shall have all rights specified in this Agreement and in the Client's agreement(s) with IBLLC, including all Netting and Set-Off rights and the right to liquidate the Client positions without notice in order to satisfy the Client's obligations to either IBUK or IBLLC. A "Default" under Section 4.2.3 of this Agreement shall also be considered a "Default" under the Client's agreement(s) with IBLLC and, in such event, IBUK and IBLLC shall have all rights specified in this Agreement and in the Client's agreement(s) with IBLLC, including all Netting and Set-Off rights and the right to liquidate the Client's positions without notice in order to satisfy the Client's obligations to either IBUK or IBLLC.
- 4.2.3 **Event of Default:** A "Default" occurs automatically, without notice upon: (i) the Client's breach or repudiation of any agreement with IBUK; (ii) the Client's failure to provide assurance satisfactory to IBUK (in IBUK's sole discretion) of performance of an obligation, after request from IBUK; (iii) proceedings by or against the Client under any bankruptcy, insolvency, or similar law; (iv) assignment for the benefit of the Client's creditors; (v) appointment of a receiver, trustee, liquidator or similar officer for the Client or the Client property; (vi) the Client representations being untrue or misleading when made or later becoming untrue and not corrected within three (3) business days; (vii) legal incompetence of the Client; (viii) the suspension of, or the commencement of any proceeding to suspend the Client's business or license by any regulatory or governmental body; (ix) the Client failure to respond to IBUK's attempts to contact the Client concerning potentially abandoned property; or (x) IBUK having reason to believe that any of the foregoing is likely to occur imminently. The Client agrees that, upon a Default, IBUK may terminate any or all IBUK's obligations to the Client and may deduct from the equity in any Client account any losses, costs, expenses or other liabilities incurred by IBUK arising from such Default.
- 4.2.4 **Netting Agreement:**
- 4.2.4.1 **Netting by Novation:** Each transaction between the Client and IBUK will immediately be netted with all then existing transactions between the Client and IBUK for the same currencies to constitute one transaction.
- 4.2.4.2 **Payment Netting:** If on any delivery date more than one delivery of a currency is due, each party shall aggregate the amounts deliverable in that currency and only the difference shall be delivered.
- 4.2.4.3 **Close-Out Netting and Set-Off Rights:** Subject to Applicable Law, if the Client: (i) incurs a margin deficit in any IBUK account, (ii) defaults on any obligation to IBUK, (iii) incurs a "Default" as specified in Section 4.2.3 herein, or (iv) fails to pay debts when due, IBUK has the right but not the obligation to close-out the Client's transactions, liquidate all or some of the Client's collateral and apply the proceeds to any debt to IBUK. IBUK shall be entitled to charge the Client all commissions, spreads, costs and charges incurred.
- 4.2.4.4 Upon Close-Out Netting or any "Default", all outstanding transactions will be deemed terminated as of the time immediately preceding the triggering event, petition or proceeding. Without prejudice to any other rights and remedies available to IBUK (whether by agreement, by law or otherwise) IBUK reserves the right, at any time, from time to time, without notice to the Client and in its sole discretion, to combine and consolidate any or all of the Client's accounts (of whatever nature or type the Client holds with IBUK) and positive and negative exposures and/or to set off some or all of the Client's account balances and any other amounts of whatsoever nature which may be due or payable from IBUK to the Client (of whatsoever nature and howsoever and whenever arising) against all interest, costs, expenses, charges, realised losses, margin on deposit, negative positions and any and all other liabilities and amounts (of whatsoever nature and howsoever and whenever arising) owed by the Client to IBUK under this or any other Agreement between the Client and IBUK. If IBUK exercises such rights of combination consolidation and/or set-off, all obligations for payment in respect of all the foregoing will be cancelled and simultaneously replaced by a single obligation to pay a net sum of cash to IBUK or (if a net amount is payable to the Client) to the Client.

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- 4.2.4.5 IBUK may apply the above rights regardless of the currency of any amount payable by IBUK to the Client or by the Client to IBUK. IBUK may (whether in connection with the exercise of any rights under this Section or otherwise) convert money standing to the Client's credit in any of the Client's accounts with IBUK or any other profit, loss, exposure or liability or any money received from the Client or due to be paid by the Client to IBUK or by IBUK to the Client from one currency to another at prevailing market rates available to IBUK. IBUK shall be entitled to charge the Client all commission, spreads, costs and charges incurred in connection with the foregoing.
- 4.2.4.6 The Netting and Set-Off rights in this Section 4.2.4 shall be binding towards the estate and creditors of the parties. The Netting and Set-Off rights in this Section shall be read in conjunction with the "Cross-Collateral Agreement and Automatic Transfer Authorisation Covering Clients with IBUK And IBLLC Accounts" set forth in Section 4.2.2, which, among other things, grants IBLLC the rights set forth in this Section in the event of a Default of Client's obligations to IBLLC under any agreement between the Client and IBLLC.


## **5 OUR REMUNERATION**

### **5.1 Commissions and Fees, Interest Charges, Funds**

- 5.1.1 Commissions and fees are as specified on the Pricing section of the IBUK website unless otherwise agreed in writing by an officer of IBUK. The Client acknowledges that IBUK deducts commissions/fees from the Client's accounts, which will reduce account equity. Positions will be liquidated if commissions or other charges cause a margin deficiency. Commissions and fees are charged either as a fixed amount or as a percentage depending on the basis for calculation specified on the IBUK website. Changes to commissions/fees are effective immediately upon any of: posting on the IBUK website or email or other written notice to the Client. Our costs and charges disclosure is published on the IBUK website under 'Forms and Disclosures', MiFID II Disclosures.
- 5.1.2 IBUK shall charge debit interest to the Client in accordance with the interest rates specified on the IBUK website (see "Interest Rates" under "Pricing"). Notwithstanding any language to the contrary in this Agreement or on the IBUK Website regarding credit and debit interest, interest rates for a particular currency may be "negative". If the interest rate on funds held in a particular currency is negative, this means you will be charged a fee at the negative interest rate for positive balances in such currency and earn interest for negative balances in the currency. You should refer to rates specified on the IBUK Website.
- 5.1.3 The Client funds may not be disbursed until after transactions are settled. Terms and conditions for deposit and withdrawal of funds (including holding periods) are as specified on the IBUK website. We may share commissions and other charges with associates, introducing agents or other third parties or receive remuneration from them in respect of contracts entered into by us. Where we pay or receive such amounts or benefits and we are so required under the FCA Rules, we will disclose the existence, nature and where practically possible the amount of the payment or benefit separately to you. Minor non-monetary benefits may be described in a generic way.

### **5.2 Multi-Currency Function in IBUK Accounts**

- 5.2.1 Clients may be able to conduct transactions and trade products denominated in different currencies. If the Client incurs an obligation in a margin account in a currency (for example, by a withdrawal of such currency), and if insufficient funds exist in the account in that currency, a margin loan shall be created to fund the obligation, secured by the assets in the Client's account. If the Client maintains positions denominated in foreign currencies, IBUK will calculate Margin Requirements by applying exchange rates specified by IBUK. IBUK will apply "haircuts" (a percentage discount on the foreign currency equity amount) to reflect the possibility of fluctuating exchange rates between the base currency and the foreign currency. The Client must closely monitor margin requirements at all times, particularly for positions denominated in foreign currencies, because fluctuation in the currency and the value of the underlying position can cause a margin deficit and may result in liquidation of the Client's positions.
- 5.2.2 IBUK does not warrant that it will allow cash withdrawals or deposits in every currency in which investment products are denominated on the IBUK platform. In such case, the Client authorises IBUK to convert the currency of the credit or debit of the product to a currency in which a withdrawal or deposit is allowed (at then-current rates on the IBUK platform, plus applicable commission). If the account type or the IBUK platform does not support carrying a debit in a particular currency to satisfy an obligation to IBUK incurred in that currency (for example, by entering an order in an options or futures contract settled in a particular



currency), the Client agrees that IBUK may convert to the appropriate currency funds sufficient to meet applicable obligations or requirements.

### 5.2.3 Automatic Currency Conversion Functionality (AUTOFX) of Cash Accounts

- 5.2.3.1 If the Client incurs an obligation in a cash account (i.e. a cash account opened with IBUK that is not enabled for margin trading) in a currency as a result of a purchase denominated in such currency (the “**Purchase Currency**”), and if insufficient funds exist in the account in that currency, IBUK will automatically convert the necessary amount of Client’s long currency balance(s) to the required amount of the Purchase Currency for settlement by the same date as the date on which the purchase settles.
- 5.2.3.2 IBUK will effect each automatic currency conversion at a rate derived from prevailing market conditions at the time of the execution (i.e., for the purposes of AUTOFX, IBUK will engage in “spot” currency transactions on the Client’s behalf). The conversion rate set by IBUK for automatic conversions may be adjusted from the rate that otherwise would apply to compensate for differences between the agreed settlement cycle for the trade and the standard settlement cycle for that currency pair. The fees IBUK applies for automatic currency conversion trades are detailed on the Pricing section of the IBUK website.
- 5.2.3.3 AUTOFX does **not apply** to (i) funds received into the Client’s cash account where those funds are in a currency supported by IBUK (however, the Client can manually convert those funds into another currency if desired) or (ii) to margin accounts (however, the Client can manually enter currency conversion orders on their margin accounts). However, if, the Client receives funds into their cash account which are in a currency that is not supported by IBUK, AUTOFX **will apply** to those funds.
- 5.2.3.4 **If the Client does not wish for AUTOFX to be applied in respect of their cash account, the Client will need to determine what amount of Purchase Currency is required to execute their buy order and have sufficient settled funds in that Purchase Currency before placing any order. If the Client does not do so, funds will be automatically converted in the manner set out in this Section.**

## 5.3 Unpaid Account Deficits and Exposure Fees

- 5.3.1 If an account incurs in an equity deficit (regardless of account type), margin interest rates as specified on the IBUK website will apply until the balance is repaid. IBUK has the right, but not the obligation, to treat a cash account in equity deficit as a margin account. The Client agrees to pay reasonable costs and expenses of collection for any unpaid Client deficit, including attorneys' and collection agent fees. If IBUK seeks to recover any unpaid Client deficit through a court or arbitration proceeding, IBUK reserves the right to recover interest at statutory interest rates, rather than margin interest rates. IBUK may take all steps permissible under Applicable Law to recover an unpaid Client deficit, including but not limited to transferring or assigning the debt to an affiliate or other third-party entity for collection.
- 5.3.2 IBUK calculates and charges a daily "exposure fee" to the Client accounts that are deemed in IBUK's discretion to have significant risk exposure (potential exposure that exceeds the account's equity were certain scenarios to occur). The exposure fee is NOT a form of insurance for the Client's account. If the Client's account incurs a debt or deficit to IBUK, the Client remains liable to IBUK to satisfy that debt or deficit. Payment of exposure fees does NOT reduce, offset, or relieve the Client of that liability. Deduction of exposure fees will reduce account equity. Positions may be liquidated if exposure fees cause a margin deficiency.

## 6 WARRANTIES, INDEMNITIES AND DEFAULT


### 6.1 LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES PROVISION

- 6.1.1 NEITHER IBUK NOR ITS AFFILIATES SHALL BE RESPONSIBLE OR LIABLE TO THE CLIENT FOR ANY LOSS OR DAMAGE (WHETHER ARISING DIRECTLY OR INDIRECTLY), WHETHER OF PROFITS, REVENUE OR GOODWILL OR ANY INDIRECT OR CONSEQUENTIAL LOSSES, LIABILITIES, CLAIMS, EXPENSES, AWARDS, PROCEEDINGS AND COSTS, REGARDLESS OF WHETHER THE POSSIBILITY OF SUCH LOSSES, DAMAGES, LIABILITIES, CLAIMS, EXPENSES, AWARDS, PROCEEDINGS AND COSTS WERE DISCLOSED TO OR COULD HAVE BEEN REASONABLY FORESEEN BY IBUK OR ITS AFFILIATES AND WHETHER ARISING IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR FOR REPRESENTATIONS MADE OR OTHERWISE AS A RESULT OF OR IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF OUR OBLIGATIONS UNDER THIS AGREEMENT. IN PARTICULAR, NEITHER IBUK NOR ITS AFFILIATES SHALL BE RESPONSIBLE OR LIABLE TO THE CLIENT FOR ANY IB SYSTEM FAILURE DELAYS OR INTERRUPTIONS OF SERVICE OR TRANSMISSIONS, OR FAILURES OF PERFORMANCE, REGARDLESS OF CAUSE (INCLUDING, BUT NOT LIMITED TO, THOSE CAUSED BY HARDWARE OR SOFTWARE MALFUNCTION; HUMAN ERROR; GOVERNMENTAL, EXCHANGE OR OTHER



REGULATORY ACTION; ACTS OF GOD; WAR; TERRORISM AND PUBLIC HEALTH EVENTS (INCLUDING PANDEMICS)). THE CLIENT RECOGNISES THAT THERE MAY BE DELAYS OR INTERRUPTIONS OR SYSTEM FAILURE IN THE USE OF THE ELECTRONIC SERVICES, INCLUDING, FOR EXAMPLE, THOSE CAUSED INTENTIONALLY FOR PURPOSES OF SERVICING THE IB SYSTEM. TO THE EXTENT PERMITTED BY LAW, NOTHING IN THIS AGREEMENT SHALL EXCLUDE OR RESTRICT ANY LIABILITY WHICH IBUK OR ITS AFFILIATES HAS TO YOU UNDER ANY APPLICABLE LAW OR REGULATORY REQUIREMENT AND WHICH CANNOT BE EXCLUDED OR RESTRICTED BY AGREEMENT BY REASON OF ANY APPLICABLE LAW OR REGULATORY REQUIREMENT, AND THE PROVISIONS OF THIS AGREEMENT WHICH PURPORT TO EXCLUDE OR RESTRICT ANY SUCH LIABILITY SHALL NOT APPLY TO THE EXTENT THAT SUCH LIABILITY MAY NOT BE SO RESTRICTED OR EXCLUDED.

- 6.1.2 **Risk Regarding Political and Governmental Actions:** Governments of countries in which IBUK clients reside, or countries in which IBUK clients invest, may take economic and/or political actions that are adverse to investors and such actions may negatively affect the Client's account. The Client agrees that IBUK and its affiliates are not liable for such actions. For example, if the Client invests in securities, futures, foreign currency or other investment products in a foreign jurisdiction, such assets, or cash to secure such



assets, typically will be held at a bank, clearing house or other facility in such foreign jurisdiction. Assets and cash held in foreign jurisdictions are inherently vulnerable to the risk that the government in such jurisdiction could freeze or confiscate or take some other action against such assets for some purpose, temporarily or permanently. Likewise, even with respect to investments within the Client's own country, governments may freeze or take other action against such assets on the basis of political, economic, or military conflict. The Client acknowledges and agrees that IBUK (and its affiliates) cannot and will not protect the Client from actions by any governmental, political, military, or economic actor that may adversely impact the Client's assets held by IBUK (and/or its affiliates), its agents or sub-custodians. The Client agrees that that IBUK and its affiliates are not liable for any losses or damages the Client may incur as a result of any such action.

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


## 6.2 Representations Regarding Client Capacity

- 6.2.1 You represent to us that, at the date of this Agreement and at the time of each transaction:
- 6.2.1.1 You have full power and authority and have taken all necessary steps to enable you to lawfully enter into and to perform all your obligations under this Agreement;
- 6.2.1.2 Unless you notify us otherwise in writing and we agree, you deal as principal only and no person other than yourself has or will have any interest in any transaction or in any account that we hold on your behalf, and all sums or other assets deposited as margin are beneficially owned by you and you will not create any charge or other encumbrance over or in respect of such money or assets;
- 6.2.1.3 You will provide to us, on request, such information regarding your identity as we may reasonably require to comply with anti-money laundering regulations;
- 6.2.1.4 No Event of Default or potential Event of Default as specified in Section 4.2.3 has occurred and is continuing with respect to you; and
- 6.2.1.5 All information you have given to us is true and accurate in all material respects and you will notify us promptly of any changes to the information.

## 6.3 Other Client Representations and Warranties

- 6.3.1 If the Client is not an individual (e.g., is a corporation, unincorporated business, partnership or trust), the Client and each of the Client's authorised representatives represent and warrant that, as of the date of this Agreement and each time they place an order and/or execute a Transaction:
- 6.3.1.1 it is duly incorporated and validly existing under the laws of its place of organisation or formation;
- 6.3.1.2 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 the Client is registered, authorised, 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;
- 6.3.1.3 it has, and will have, pursuant to its Governing Documents and the jurisdictions in which the Client is registered, authorised, and/or regulated, the power and authority to trade the securities, options, futures, and other investment products to be traded in the Client's account;
- 6.3.1.4 it has and will have taken all necessary action to authorise the exercise, performance, and execution of this Agreement and any other document relating to this Agreement to which the Client is a party; and
- 6.3.1.5 the persons which the Client identifies to IBUK as authorised to enter orders and trade on behalf of the Client have full authority to do so.



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- 6.3.2 If the Client is a trust, the term "Client" as used herein refers to the Trust and/or the Trustees. The Trustee(s) hereby represent(s) that:
- 6.3.2.1 There are no other Trustees of the Trust other than those identified in the documents required to open and operate the Client's account ("**Account Application Materials**");
  - 6.3.2.2 IBUK 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 IBUK and its affiliates are authorised 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. IBUK 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;
  - 6.3.2.3 Trustee(s) has (have) the power under the Trust, the documents governing the Trust ("**Trust Agreement**") and Applicable Law to enter into this Agreement and open the type of IBUK account applied for, and to enter into transactions and issue instructions for 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;
  - 6.3.2.4 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;
  - 6.3.2.5 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 Laws;
  - 6.3.2.6 Trustee(s), jointly and severally, shall indemnify IBUK and its affiliates and hold IBUK 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);
  - 6.3.2.7 Trustee(s), agree(s) to inform IBUK of any material change in any information provided in the Account Application Materials electronically through the IBUK website; and
  - 6.3.2.8 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 authorises IBUK and any of its affiliates to confirm their accuracy as it deems necessary.
- 6.3.3 The Client shall promptly notify IBUK in an e-mail addressed to [complianceuk@interactivebrokers.com](mailto:complianceuk@interactivebrokers.com) in the event that any of the above representations or warranties materially change or cease to be true and correct. Without limiting the generality of the foregoing, the Client specifically agrees to notify IBUK immediately in the event that:
- 6.3.3.1 If the Client is a corporation, unincorporated business, partnership, or trust, there is a significant change in the nature of the Client's business or ownership;
  - 6.3.3.2 If the Client is an unincorporated business or partnership, the authorised signatories of the business or partnership change; and
  - 6.3.3.3 If the Client is a trust, any trustee is replaced. In all of the foregoing events, the Client agrees to provide to IBUK any additional information or documentation that IBUK deems necessary or desirable, upon IBUK's request.

## 7 USE OF ELECTRONIC SERVICES

### 7.1 Use of Electronic Services

- 7.1.1 **License to Use IBUK and Its Affiliates' Software:** IBUK and its affiliates in the Interactive Brokers Group of companies grant the Client a non-exclusive, non-transferable license to use Interactive Brokers Group Software solely as provided herein. Title to Interactive Brokers Group Software and updates shall remain the sole property of IBUK and/or its Interactive Brokers Group affiliates, including all patents, copyrights and trademarks. The Client shall not sell, exchange, or transfer the Interactive Brokers Group Software to others. The Client shall not copy, modify, translate, decompile, reverse engineer, disassemble or reduce to a human readable form, or adapt, the Interactive Brokers Group Software or use it to create a derivative

work. IBUK and its affiliates are entitled to immediate injunctive relief for threatened breaches of these undertakings.

- 7.1.2 **IB System and Use of Electronic Services**: In order to communicate with the Interactive Broker's System ("**IB System**") (and to utilise the services contemplated herein), IBUK and/or its affiliate's may allow (in IBUK's sole discretion) the Client to use certain of IBUK's and/or its affiliate's electronic trading services (including connectivity services) and any other electronic and information systems or networks ("**Electronic Services**") subject to the terms of this Agreement.
- 7.1.3 **Alternative Trading Arrangements**: Electronic Services such as those IBUK uses and provides to the Client are inherently vulnerable to disruption, delay or failure. The Client must maintain alternative trading arrangements, in addition to the Client's account for the execution of Client orders in the event that the IB System and/or any Electronic Services are unavailable. By signing this Agreement, the Client represents that the Client maintains such alternative trading arrangements.
- 7.1.4 **Suspension or Withdrawal of Electronic Services**: Without limitation to any of our other rights under this Agreement, we reserve the right to suspend or withdraw temporarily or permanently all or any part of our Electronic Services, immediately at any time if: (a) we suspect or become aware of unauthorised use or misuse of any Security Information; (b) you are in breach of any of the provisions of this Agreement or Applicable Laws; (c) in our opinion, your or any Authorised User's connection to the Electronic Services is for any reason endangering the operation of it; or (d) we are unable to provide access to the Electronic Services due to any defect in or failure of network, communication or computer systems owned or operated by us or you or any third parties.
- 7.1.5 **Consent to Accept Electronic Records and Communications**: IBUK and its affiliates provide electronic trade confirmations, account statements, KIDs for certain Covered Products, tax information, proxy material and other Client records and communications (collectively, "**Records and Communications**") in electronic form to the maximum extent permitted by Applicable Law. Electronic Records and Communications may be sent to the Client's Trader Workstation or to the Client's e-mail address, or for security purposes may be posted on the IBUK website or on the secure website of one of IBUK's service providers, with a notification sent to the Client to login and retrieve the Records and Communications. By entering into this Agreement, the Client consents to the receipt of electronic Records and Communications. Such consent will apply on an ongoing basis and for every tax year unless withdrawn by the Client. The Client may withdraw such consent at any time by providing electronic notice to IBUK through the IBUK website. If the Client withdraws such consent, IBUK will provide required Records and Communications (e.g., tax document, proxy materials, etc.) in paper form upon request by telephone or via the IBUK website. However, IBUK reserves the right to require the Client to close the Client's account if the Client withdraws consent to receiving electronic delivery of Records and Communications. In order to trade using the IB TWS, and to receive Records and Communications through the IB TWS, there are certain system hardware and software requirements, which are described on the IBUK website at [www.interactivebrokers.co.uk](http://www.interactivebrokers.co.uk). Since these requirements may change, the Client must periodically refer to the IBUK website for current system requirements. To receive electronic mail from IBUK, the Client is responsible for maintaining a valid internet e-mail address and software allowing the Client to read, send and receive e-mail. The Client must notify IBUK immediately of a change in the Client's e-mail address by using those procedures to change a Client's e-mail address that may be available on the IBUK website.

## 8 YOUR PERSONAL INFORMATION

### 8.1 Data Protection

- 8.1.1 IBUK will act as a data controller of your personal data within the meaning of the Data Protection Law. You acknowledge that we may obtain information (including personal data and special categories of personal data, each as defined in the UK General Data Protection Regulation ("**Data Protection Law**")) about you or your directors, shareholders, employees, officers, agents or clients as necessary. We shall comply with applicable Data Protection Law with regard to processing personal data. You acknowledge that you have read and understood the Interactive Brokers Group Privacy Policy published on [www.interactivebrokers.co.uk](http://www.interactivebrokers.co.uk) (as may be updated from time to time) which sets out how personal data shall be processed by IBUK.
- 8.1.2 You understand that we may use, store or otherwise process any such information (whether provided electronically or otherwise) and may disclose any such information (including, without limitation, information relating to your transactions and account) either as we shall be obliged to under or pursuant to any Applicable Law or by any regulatory authority or as may be required to provide services to you under this Agreement.

### 8.1.3 IBUK may:

- a) disclose information about you to your agents or attorneys for any purpose relating to this Agreement.
- b) disclose information about you and your clients, of a confidential nature, in the circumstances set out in this Section:
  - 1) to other members of the Interactive Brokers Group, who may use it in the manner set out in this Section (and for the avoidance of doubt, references to “we”, “us” and “our” in this Section shall be deemed to include all members of the Interactive Brokers Group);
  - 2) to other organisations and individuals we may engage to perform, or assist in the performance of, our services or to advise us, provided that they will only be given access to the relevant information for that purpose;
  - 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;
  - 4) to any regulatory authority or public registry, as required by law; or
  - 5) as may be required for the purposes set out in this Section.
- c) to the extent such authorisation is required by law, you hereby authorise IBUK, directly or through third parties, to make any enquiries that IBUK considers necessary to conduct business with you. This may include ordering a credit report and performing other credit checks or verifying the information you provide against third party databases. Any personal data obtained is maintained in accordance with the Interactive Brokers Group Privacy Policy.
- d) If any personal data or sensitive personal data belonging to any of your shareholders, directors, employees, officers, agents or clients is provided to us, you represent to us that each such person is aware of and consents to the use of such data as set out in this Section and you agree to indemnify us against any loss, costs or expenses arising out of any breach of this representation.

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

## 8.2 Confidential Information

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

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

- (a) has become public knowledge other than through the fault of the receiving party or an employee or director of the receiving party to whom it has been disclosed in accordance with this Agreement; or
- (b) where the receiving party establishes it was already known to it prior to disclosure of it by the disclosing party; or
- (c) has been received from a third party who neither acquired it in confidence from the disclosing party, nor owed the disclosing party a duty of confidence in respect of it; or

(d) is required to disclose it by law or any regulatory authority or pursuant to a court order provided that the receiving party shall, where permitted by law, and provided always that such disclosure is only made to the extent absolutely and specifically required under such requirement.

### **8.3 Recording**

- 8.3.1 Telephone conversations and electronic communications with IBUK and its affiliates may be recorded. IBUK (our affiliates or representatives) may contact you by telephone as required and appropriate under this Agreement.
- 8.3.2 To the extent permitted under Applicable Law, IBUK, our affiliates or any other person appointed by us may access, review, disclose, monitor and/or record verbal and electronic messaging and communications (including email, instant messaging, facsimile, telephone and other electronic communications) with you or your agent. The recordings may be used as evidence if there is a dispute.
- 8.3.3 Where required under Applicable Law, a copy of records relating to telephone and electronic communications will be available to you upon request (provided that a charge may be payable), for a period of five (5) years and, where requested by the competent authority, for a period of up to seven (7) years. We will retain such records in accordance with our procedures which may change from time to time in our absolute discretion. The Client should not expect to be able to rely on IBUK to comply with your record keeping obligations.

## **9 PARTICULAR ACCOUNT TYPES**

### **9.1 Joint Accounts**

- 9.1.1 Each joint account holder agrees that each joint holder has authority, without notice to the other, to: (i) buy/sell securities, futures or OTC Products (including on margin); (ii) receive account confirmations and correspondence; (iii) receive and dispose of money, securities or other assets; (iv) enter, terminate, or agree to modify this Agreement; (v) waive any part of this Agreement; and (vi) deal with IBUK as if each joint holder was the sole holder. Notice to any joint holder constitutes notice to all joint holders. Each joint account holder is jointly and severally liable to IBUK for all account matters. IBUK may follow instructions of any joint holder and make delivery to any joint account holder individually of any account property. Upon death of any joint holder, the surviving holder shall give IBUK notice by telephone or electronically through the IBUK website and IBUK may, before or after notice, initiate proceedings, require documents, retain assets and/or restrict transactions as it deems advisable to protect itself against any liability or loss. The estate of any deceased joint account holder shall be liable and each survivor will be liable, jointly and severally, to IBUK for any debt or loss in the account or upon liquidation of the account. Unless Clients indicate otherwise, IBUK may presume that account holders are joint tenants with rights of survivorship. Upon death of any joint holder, the account shall be vested in the surviving holders, without in any manner releasing the deceased joint holder's estate from liability.

### **9.2 Partnerships**

- 9.2.1 If you are a partnership or more than one person, any liability arising under this Agreement shall be deemed to be the joint and several liability of the partners in the firm or of such persons as aforesaid. This Agreement shall not be terminated or prejudiced or affected by any change in the constitution of such firm or by the death of any one or more of such persons but in the event of any such death notice of termination shall be given by the survivor or survivors of such persons or the personal representatives of any such persons who have died.

### **9.3 Clients introduced to IBUK through Introducing Brokers**

- 9.3.1 If you are introduced to IBUK through an Introducing Broker ("**Introducing Broker**") you warrant and represent on a continuous basis that you have read, understood, and agreed to the 'INTERACTIVE BROKERS Notice and Acknowledgement of Clearing Arrangement' provided to you. In this Agreement a reference to any phrase introduced by the words "orders from the Client" or "the Client's orders" or "your orders" or "for orders that you send to us" or any similar expression means any order having been given by the Client to IBUK or received and transmitted by Introducing Broker to IBUK on behalf of the Client. If the Introducing Broker sends orders to IBUK on the Client's behalf, Introducing Broker shall be solely responsible for all aspects of the acceptance and handling of the Client's orders, and all regulatory responsibilities and obligations related thereto including, but not limited to, the disclosure of the costs and charges described in Section 5 above to the extent permitted by Applicable Law.

## **10 COMPLAINTS AND COMPENSATION**



## 10.1 Complaints

10.1.1 All formal complaints should be made using one of the following means: (i) by Web Ticket in Account Management on the IBUK website; and (ii) by letter to Complaints Handling, Compliance Department, Interactive Brokers (U.K.) Limited, Floor 12, 20 Fenchurch Street, London EC3M 3BY, United Kingdom.

A summary of the IBUK Internal Complaint Handling Procedures is made available through the IBUK website.

## 10.2 Financial Ombudsman Service

10.2.1 IBUK is a participant in the UK Financial Ombudsman Service ("FOS"). Disputes may be submitted to the FOS for mediation. The FOS will only consider complaints for regulated activities and therefore may or may not consider complaints in respect of OTC Precious Metals transactions and certain Forex transaction depending on how the transactions are characterised by the FOS. The FOS is provided free of charge to complainants. The FOS's decisions are based on what is "fair and reasonable" and are binding on firms if a complainant accepts them.

## 10.3 Financial Services Compensation Scheme

10.3.1 IBUK is a participant in the UK Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the scheme in the unlikely event we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. FSCS coverage is restricted to designated investments and may or may not cover investments in OTC Precious Metals and certain Forex transactions, depending on how the transactions are characterised under the FSCS. The maximum payment under the FSCS in respect to designated investments is currently 100% of a claim up to a maximum of £85,000. Further information about compensation is available from the UK Financial Services Compensation Scheme at [www.fscs.org.uk](http://www.fscs.org.uk).

# 11 MISCELLANEOUS

## 11.1 Conflicts of Interest


11.1.1 IBUK has various policies and procedures in place to assist in identifying, preventing and managing conflicts of interest between ourselves or any person directly or indirectly linked to us by control and you, or between you and another client that arise in the course of providing services. Our Conflicts of Interest Policy provides the overall framework for the identification of conflicts and addresses business conduct and practices that may give rise to an actual or potential conflict of interest. A summary of our policy can be found on the IBUK 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 our organisational or administrative arrangements are unable to prevent, with reasonable confidence, that the risk of the conflict has a negative impact on the Client's interest, IBUK will disclose the source and nature of the conflict to you as soon as reasonably possible as well as the steps taken to mitigate those risks prior to providing services to you. We hereby disclose that the following conflicts of interest, inter alia, may affect you:

11.1.2 Subject to Applicable Laws, IBUK and its affiliates may trade for their own accounts in the same or related products as the Client and at the same or nearly the same time, either on the same or different sides of the market as the Client; IBUK and its affiliates have no obligation to disclose their trading activity to the Client or to advise the Client regarding the Client's trading; IBUK and its affiliates may execute proprietary trades even if IBUK may simultaneously hold unexecuted client orders for the same or related products at the same price.

11.1.3 For Forex transactions (including Forex CFDs), IBUK generally will act as agent or riskless principal and charge a fee. IBUK may effect Forex transactions through an affiliate or third party, which may profit or lose from such transactions.

11.1.4 Subject to Applicable Law, IBUK or its affiliates may be receiving payments or other benefits for directing orders to execution venues where your order is placed.

11.1.5 Subject to Applicable Law, IBUK may match your transaction with that of any other client (including without limitation us, any affiliate, connected client or other client of ours) either on behalf of such person as well as on behalf of you or by executing matching transactions at or about the same time with you and such person.

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

## **11.2 Amendments and Termination**

- 11.2.1 This Agreement cannot be amended or waived except in writing by an authorised IBUK officer. This Agreement may be revised upon IBUK's tender of a revision or amendment of this Agreement, and the Client's acceptance thereof shall be conclusively established by subsequent use (by the Client or any authorised representative) of any services provided by IBUK other than closing positions or transferring open positions or assets out of IBUK. Use of such services shall constitute consideration for the revised Agreement.
- 11.2.2 Either the Client or IBUK can terminate the Client's use of IBUK's services at any time in either party's discretion. After termination, the Client and IBUK shall remain obligated to fulfil any outstanding obligations under this Agreement.


## **11.3 General**

- 11.3.1 This Agreement contains the entire understanding between the parties with respect to transactions related to Covered Products.
- 11.3.2 Nothing in this Agreement shall be taken to exclude or restrict our rights or obligations under Applicable Laws. We shall be entitled to take any action as we consider necessary in our sole discretion to ensure compliance with Applicable Law and such actions shall be binding on you and shall not render us or any of our directors, officers, employees or agents liable.
- 11.3.3 The Client consents to communicate with IBUK in English or any other language as IBUK may offer from time to time. The Client also consents to receive KIDs as required under the PRIIPS for certain Covered Products in English, unless those documents are made available in a different language by the product manufacturer.
- 11.3.4 The Client may not assign or transfer any rights or obligations hereunder without the prior written consent of IBUK. Upon notice to the Client IBUK may assign this Agreement. This Agreement shall inure to the benefit of IBUK's successors and assigns. IBUK may terminate this Agreement or its services to the Client at any time. The Client may close its account upon notice to IBUK electronically through the IBUK website, but only after all positions are closed and all other requirements specified on the IBUK website regarding account closure are satisfied.
- 11.3.5 Nothing in this Agreement is intended to confer on any person who is not a party to it any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of this Agreement, except for rights explicitly granted to IBUK's affiliates in this Agreement and except that any intermediate broker that we use will be entitled to enforce any provision of this Agreement against you directly.

## **11.4 Governing Law and Jurisdiction**

- 11.4.1 This Agreement shall be governed by English law.
- 11.4.2 You irrevocably agree that, except with respect to controversies or claims that are properly submitted to arbitration in accordance with this Agreement, the courts of England shall have exclusive jurisdiction over all disputes relating to or arising from the execution or performance of this Agreement.
- 11.4.3 Nothing contained in this section shall limit our right to take proceedings against you in any other court of competent jurisdiction.
- 11.4.4 In all judicial actions, arbitrations, or dispute resolution methods, the parties waive any right to punitive damages.

## **11.5 Arbitration**

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- 11.5.1 Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be determined by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. Claims shall be heard by a single arbitrator, unless the claim amount exceeds USD 500,000 or equivalent currency, in which case the dispute shall be heard by a panel of three arbitrators. The language of the arbitration shall be English.
- 11.5.2 In cases involving a claim of less than USD 50,000 or equivalent currency, the arbitration will be based on the submission of documents and there shall be no in-person or oral hearing.

## **11.6 Distance Marketing Information**

- 11.6.1 In order to comply with the FCA's provisions relating to distance marketing, this Agreement will be subject to the following extra provisions:
- 11.6.2 Our main business is broking and dealing in financial products, including CFDs, Precious Metals and Forex. Our address is Floor 12, 20 Fenchurch Street, London EC3M 3BY, United Kingdom.
- 11.6.3 In addition to our charges, please note that other taxes and costs may exist that are not paid through or imposed by us.
- 11.6.4 There are no specific additional costs for you, which are charged by us, as a result of you entering into contracts without meeting one of our representatives.
- 11.6.5 Prior to entering into this Agreement, English law will be the basis of the establishment of our relationship with you. This Agreement is supplied in English, and we will communicate with you in English during the course of our relationship with you.
- 11.6.6 Under the FCA Rules, you have a right to cancel this Agreement within fourteen (14) days after you have accepted it. If you cancel this Agreement you will still be liable for the settlement of all your outstanding transactions and all the sums and charges which you owe at cancellation. To exercise your right to cancel this Agreement you must notify us in writing within fourteen (14) days. If you do not exercise your right to cancel this Agreement immediately, you will still be entitled to exercise your right to cancel at any time in the future provided that you have no outstanding open position.



## 12 ADDENDUM - ADDITIONAL TERMS APPLICABLE TO CERTAIN CARRIED PRODUCTS

This Addendum contains Additional Terms Applicable to Certain Carried Products. The Addendum and each Schedule herein contained form an integral part of this Agreement. Unless differently stated, terms defined in the Agreement have the same meaning in this Addendum. If there is any conflict between the terms of this Addendum and the terms in the rest of this Agreement the terms of this Addendum will prevail with respect to specific product terms.

### 12.1 Schedule 1 – Contracts For Difference

The terms of this Schedule 1 that are applicable to you will differ, as specified below, depending on whether you have been classified as a Retail Client or as a Professional Client. Retail Clients are afforded a higher degree of regulatory protection than is afforded to Professional Clients. CFD transactions for Retail Clients will be subject to the FCA Rules applicable to CFD trading.

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

If you have been classified as a Retail Client you hereby acknowledge that you are aware of the percentage of retail investor accounts that lose money when trading CFDs with IBUK, as published on the IBUK website.

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing money.

- 12.1.1 **Nature of CFDs; no Voting or Other Rights in Underlying Product**: CFDs are contracts with IBUK as your counterparty, and are not traded on a regulated exchange and are not cleared or settled on a central clearing house. A CFD is to secure a profit or avoid a loss by reference to fluctuations in the price of the underlying product (e.g. shares, foreign currencies, etc.), rather than by taking delivery of any underlying product. With respect to CFDs in shares, no CFD transaction shall confer on you any right, voting right, title or interest in any underlying product or entitle or oblige you to acquire, receive, hold, vote, deliver, dispose of or participate directly in any corporate action of any underlying product.
- 12.1.2 **Detailed Contract Specifications Available on the IBUK Website**: Further detail on contract specifications for CFDs will be provided on the IBUK website and the Client agrees to review such specifications prior to engaging in any CFD transaction. Contract specifications on the IBUK website shall be binding on the Client and on IBUK unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Client and IBUK.
- 12.1.3 **Trading Hours, no Obligation to Provide Quotations**: IBUK generally will make CFD quotations available on the IBUK platform beginning after the regular market opens in the underlying product and ending prior to or at the close of regular trading hours in the underlying product, although longer hours may be provided. Regardless of the foregoing, however, IBUK is not obligated to provide quotes for any CFD at any time, and IBUK does not guarantee the continuous availability of quotations or trading for any CFD. **IBUK may in its sole discretion cease quoting CFDs and/or cease entering new CFD transactions at any time** based on lack of market data, halts, suspensions, delistings, errors, illiquidity or volatility in the market for the underlying product, IBUK's own risk or profit parameters, technical errors, communication problems, market or political or economic or governmental events, acts of God or nature, or other reasons. In the event that the Client wishes to close an open CFD transaction with IBUK but IBUK is not providing a quotation, if it is during regular trading hours and if the market in the underlying product is trading normally and is not subject to a halt or suspension or other extraordinary market condition, then the Client may contact IBUK and IBUK shall use reasonable efforts to provide a quotation promptly to the Client, absent extraordinary circumstances. The Client orders sent to IBUK for CFDs are not orders for the underlying product and will not be represented on exchanges that may list or trade the underlying product.
- 12.1.4 **Errors**: IBUK has the right to cancel, adjust or close out CFD transactions after confirmation to you to correct errors, including but not limited to CFD transactions subject to technical errors in IBUK's platform; CFD transactions at prices not reasonably related to the correct market price for the underlying product; and CFD transactions executed at a time and price at or near which






trades in the market for the underlying product were cancelled or adjusted by exchanges or market centres.

- 12.1.5 **Opening and Closing CFD Transactions:** A CFD transaction with IBUK will not expire but rather shall remain open until the Client enters an offsetting (closing) transaction or until IBUK exercises any of our rights to close out a transaction with you (e.g., because of a margin deficiency, because the underlying shares in a CFD held short have become unborrowable, etc.). A CFD transaction may also be closed or be altered or adjusted in the event of an action or event affecting the underlying product as described below in this Agreement.
- 12.1.6 **Settlement:** All transactions relating to CFDs on shares and indexes shall be settled by payment of cash in the currency in which the CFD is denominated. Realised profit/loss and interest cash flows for CFDs involving Forex settle in the quote currency of the relevant currency pair. CFD purchases and sales shall settle in the same settlement period as the underlying product, unless otherwise specified on the IBUK website or in a notice to Clients. You do not have any right or obligation to receive delivery of the underlying product in connection with any CFD.
- 12.1.7 **Commissions, Spreads:** IBUK will charge a commission for CFD transactions, in the amount specified on the IBUK website, and will deduct commissions as described in this Agreement. IBUK, and/or its affiliates or third parties with or through whom IBUK may hedge or effect its CFD trade with you, may also earn a "bid-ask spread" on the CFD transaction (meaning that you may pay a higher price to buy the CFD or receive a lower price to sell the CFD compared to the market prices for the underlying product or compared to prices offered for the CFD by other dealers).
- 12.1.8 **Margin for CFDs:**
- 12.1.8.1 CFD transactions are subject to the IBUK Margin Policies described in this Agreement.
- A. If the Client is a Retail Client, Margin Requirements for CFDs will be subject to the Applicable Law. To the extent that IBUK's Margin Requirements exceed the margin levels prescribed by the FCA Rules, IBUK may modify Margin Requirements for any CFD or all CFDs for any open or new positions at any time, in IBUK's sole discretion.
- B. If the Client is a Professional Client, Margin Requirements for CFDs generally will be calculated based on risk models utilised in IBUK's sole discretion. IBUK may modify Margin Requirements for any CFD or all CFDs for any open or new positions at any time, in IBUK's sole discretion.
- 12.1.8.2 The Client shall monitor their account so that at all times (including intra-day) the account contains sufficient equity to meet Margin Requirements. IBUK generally will not issue margin calls and generally will not allow any grace period in the Client's account for the Client to meet intraday or other margin deficiencies.
- A. If the Client is a Retail Client, Margin Requirements for CFDs are subject to the minimum requirements in the FCA Rules. In addition, IBUK's Margin Requirements may exceed the levels in the FCA Rules. IBUK is authorised to liquidate CFD positions immediately in order to satisfy Margin Requirements for CFDs without prior notice. Retail Client's accounts are subject to the negative balance protection in the FCA Rules. IF YOU HAVE NOT BEEN CLASSIFIED AS A RETAIL CLIENT YOU WILL NOT BE ELIGIBLE FOR NEGATIVE BALANCE PROTECTION.
- B. If the Client is a Professional Client, IBUK is authorised to liquidate CFD and other account positions immediately in order to satisfy Margin Requirements without prior notice.
- 12.1.8.3 IBUK shall calculate a reference price for the CFD after the close of trading on each trading day. For CFDs on shares and indexes the reference price shall generally be based on the daily settlement price of the underlying product on the primary exchange on which the underlying product is traded. However, for those CFDs, and for CFDs involving Forex, IBUK reserves the right to use any reasonable price as the reference price in IBUK's sole discretion (e.g., in the event of a trading interruption or halt at the end of day on the primary exchange, or in the event of other circumstances affecting the underlying product or market pricing, or if the underlying product is not traded on an exchange). After the close of trading, if, on any business day during the term of the CFD, the current reference price is higher than the close



of business reference price of the preceding business day, then if you are long IBUK shall be liable to you for such difference, and if you are short you shall be liable to IBUK for such difference. If, on any business day during the term of the CFD, the current reference price is lower than the close of business reference price of the preceding business day, then if you are long you shall be liable to pay IBUK the difference, and if you are short, IBUK shall be liable to pay you the difference. IBUK generally will process these credits/debits prior to the opening of trading on the following trading day, but IBUK reserves the right to delay processing if circumstances reasonably warrant the delay.

- 12.1.8.4 In the event that any price for an underlying product published on an exchange or by the sponsor of an index, and which is utilised by IBUK for its reference price calculation, is subsequently corrected, IBUK reserves the right to make an appropriate adjustment to your account in the amount payable by you as a result of the erroneous reference price, including any interest due accruing from the date of the error to the date of the correction adjustment.
- 12.1.9 **Cross-Collateral Agreement and Automatic Transfer Authorisation:** If you have been classified as a Professional Client, please refer to the Cross-Collateral Agreement and Automatic Transfer Authorisation Covering Clients with IBUK and IBLLC Accounts in Section 4.2.2 of the General Business Terms.
- 12.1.10 If you are a Retail Client, the terms of the Cross-Collateral Agreement and Automatic Transfer Authorisation Covering Clients with IBUK and IBLLC accounts are subject to the Applicable Law. Generally, this means that: a) Retail Client authorises IBLLC automatically to transfer excess funds from Retail Client's IBLLC account(s) to Retail Client's IBUK account(s) to satisfy Margin Requirements to open new CFD positions; and b) IBUK and/or IBLLC generally will not liquidate open positions in Retail Client's accounts other than their CFD account(s) or transfer funds from any of Retail Client's other accounts to Retail Client's CFD account(s) in order to satisfy a margin deficiency or unpaid margin deficit on an existing CFD position.
- 12.1.11 **Financing Charges (Interest) for CFDs:** You will pay a financing charge (interest) on the amount of all open long share or index CFD positions held overnight. Depending on prevailing interest rates, and excluding applicable borrow charges, you may receive a rebate (interest) for short CFD positions held overnight or you may pay a financing charge. You will pay a financing charge or receive a rebate on the amount of all rolled-over Forex CFD positions based on a rate calculated as the prevailing cash rebate for the base currency less the cash rate for the quote currency. The rate may be positive or negative, and a positive rate will be a credit for long positions and a charge for short positions. The financing charge or credit is calculated individually for each Forex CFD without regard to other balances you may have in those currencies. Financing charges and/or rebates on open CFD positions are calculated and charged/credited daily in the currency in which the CFD is denominated. CFD interest rates are determined by IBUK and may be adjusted at any time in IBUK's sole discretion. CFD interest rates are indicated on the IBUK website and may vary based on the CFD balance. In addition to interest charged or rebated on CFD positions, margin account cash balances may earn (for positive balances), or be charged (for debit balances), cash interest at the prevailing rates on the IBUK website. Interest may not be paid for cash balances under specified amounts, and interest rates paid/charged may vary based on the credit/debit balance.
- 12.1.12 **Short Transactions in CFDs: Possibility of Forced Closure of Open Short Positions: Borrow Charges:** Depending on regulatory restrictions, stock loan and borrow market conditions, or other factors, short sales of CFDs may or may not be allowed depending on the underlying product. Further, IBUK reserves the right, at any time in its sole discretion, to close out your open short CFD transaction by requiring you to buy in the CFD or by IBUK issuing order(s) for your account to buy in the CFD (without notice to or consent by you) (including but not limited to in the event that the underlying product becomes difficult or impossible to borrow). In addition to standard CFD financing rebates or charges, borrow charges apply to short sales of CFDs. Borrow charge rates generally are based on the stock loan and borrow market for the underlying product. Indicative borrow charge rates for specific CFDs may be found on the IBUK website but such rates are indicative only and may change at any time based on market conditions or at IBUK's discretion.

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- 12.1.13 **Payments Reflecting Dividends on the Underlying Product:** A CFD does not give the holder the right to receive any cash dividend paid on the shares of the underlying product for share and index CFDs. Instead, if you are the buyer (long side) in a CFD transaction you will receive a cash credit based on a dividend attributable to the underlying product. If you are the seller (short side) in a CFD transaction you will be charged a cash debit. Whether the amount of the credit or debit will be based on the gross or net (of taxes) dividend attributable to the underlying product, and whether any additional adjustment or withholding will apply, may vary based on the particular CFD and the rules of the relevant taxation authorities. Please see the IBUK website for more specific information, as well as for information as to the timing of the accrual and settlement of credits/ debits arising from a dividend in an underlying product.
- 12.1.14 **IBUK's Rights to Adjust, Modify and/or Close-Out CFD Transactions in the Event of a Corporate Action Affecting the Underlying Product:** In the event of a corporate action affecting the underlying product of a CFD, particularly in shares (e.g., splits, spin-offs, rights offerings, mergers and acquisitions, etc.):
- 12.1.14.1 IBUK in its sole discretion will determine the appropriate adjustment or modification or action to take, if any, and when, with respect to the CFD to preserve the reasonable economic equivalent of the rights and obligations of the parties. The adjustment or modification may result in the issuance of additional CFD positions (long or short) in the underlying product for the Client account, the reduction of CFD positions in the underlying product in the Client account, issuance of CFDs on a related underlying product for the Client account, cash credits or debits to the Client Account, and/or other appropriate adjustments or modifications.
- 12.1.14.2 As an addition or alternative to making an adjustment or modification to a CFD in the event of a corporate action, IBUK reserves the right in its sole discretion to close out your open CFD position in the underlying product (without notice to or consent by you) prior to the corporate action, or to require you to close out any open CFD position in the underlying product.
- 12.1.15 Without limiting IBUK's rights as set forth in paragraphs i) and ii) above to take whatever action IBUK deems appropriate in its discretion with respect to a corporate action affecting the underlying product, IBUK generally will apply the following principles:
- 12.1.15.1 When a corporate action results in the creation of new shares (reduction of existing shares) in the underlying product, IBUK generally will create additional CFDs (reduce existing CFDs) held long or short in the Client account to mirror the corporate action.
- 12.1.15.2 If the corporate action results in the creation of a new entity with listed shares or a new type of shares for the same entity, and IBUK determines in its sole discretion that it will offer CFD transactions in respect of the new entity shares or new type of shares, then IBUK generally will create a long or short position, as appropriate, in the Client account in the CFDs in the new entity or new share class in the appropriate amount.
- 12.1.15.3 In other cases, including for any resulting fractional shares in cases otherwise referenced above, IBUK will credit or debit the Client account with a cash adjustment determined in IBUK's reasonable judgment to preserve the economic equivalent of the rights and obligations of the parties.
- 12.1.15.4 If IBUK determines, in its sole discretion, that it is unable reasonably to determine a cash adjustment amount, IBUK generally will terminate the CFD five days prior to the ex-date for the corporate action, or as soon as practicable if the announcement of the corporate action is less than five days from the effective date.
- 12.1.16 **Market Abuse:**
- 12.1.16.1 You represent and warrant that: (a) you will not open, and have not opened, any CFDs with us relating to a particular share, if to do so would result in you, or others with whom you are acting in concert, having an exposure to that share which is equal to or exceeds the amount of a declarable interest under Applicable Law in the relevant company unless you, or others with whom you are acting in concert, make the required declarations and notify us about your declarable interest immediately; (b) you will notify us and keep us updated at all times of your aggregate declarable interests; (c) you will not open, and have not opened, any CFDs with us in connection with: (i) a placing, issue, distribution or other analogous event;




or (ii) an offer, take-over, merger or other analogous event in which you are involved or otherwise interested; and (d) you will not open, and have not opened, any CFDs that contravene any primary or secondary legislation or other law, including those against insider trading.

- 12.1.16.2 You agree that we may proceed on the basis that when you open or close a CFD with us on a share price, you may be treated as trading in securities within the meaning of Part V of the Criminal Justice Act 1993.
- 12.1.16.3 If we have grounds to believe that you have opened any CFD in breach of the representations in this Agreement, we may in our sole discretion and without being under any obligation to inform you of our reason for doing so, close that CFD and any other CFDs that you may have open at the time. We may also: (a) enforce the CFD or CFDs against you if it is a CFD or CFDs under which you have lost money; and (b) treat all your closed CFDs as void if they are CFDs under which you have made money, unless and until you produce, promptly upon our request, conclusive evidence that you in fact have not committed any breach of warranty, representation or undertaking.
- 12.1.16.4 You acknowledge that we shall not transfer voting rights relating to an underlying product to you or otherwise allow you to influence the exercise of voting rights held by us or on our behalf.


## 12.2 Schedule 2 – OTC Precious Metals

- 12.2.1 **Nature of OTC Precious Metals Transactions:** Transactions in OTC precious metals ("**Precious Metals**") are transactions with IBUK as your counterparty, and are not traded on a regulated exchange and are not cleared or settled on a central clearing house. All OTC Precious Metals transactions with IBUK are on an unallocated basis, meaning IBUK will not "allocate" to you nor segregate on your behalf specific lots of Precious Metal. Rather, IBUK has custodial arrangement(s) with third parties ("**Precious Metals Custodians**") for storage of unallocated Precious Metals on a net basis for IBUK. IBUK may use these arrangements or other arrangements (such as derivatives contracts) obligating third parties to deliver Precious Metals to IBUK. Precious Metals held in an unallocated account are not segregated from IBUK's or its Precious Metals Custodian's assets, and Precious Metals credited to an unallocated account represent only the dealer's obligation to deliver Precious Metals and do not constitute ownership of any specific lots of Precious Metals.
- 12.2.2 **Alternative to Delivery of Precious Metals:** IBUK will not allow you to take physical delivery of any underlying Precious Metals. Alternatively, IBUK will pay you cash equal to the value of any OTC Precious Metal that is the subject of a withdrawal request by you, rather than providing for physical delivery of Precious Metal.
- 12.2.3 **Detailed Transaction Specifications Available on the IBUK Website:** Further detail on transaction specifications for OTC Precious Metals may be provided on the IBUK website and the Client agrees to review such specifications prior to engaging in any OTC Precious Metals transaction. Transaction specifications on the IBUK website shall be binding on the Client and on IBUK unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Client and IBUK.
- 12.2.4 **No Obligation to Provide Quotations:** IBUK is not obligated to provide quotes for any OTC Precious Metal at any time, and IBUK does not guarantee the continuous availability of quotations or trading for any OTC Precious Metal. **IBUK may in its sole discretion cease quoting Precious Metals and/or cease entering new Precious Metals transactions at any time.**
- 12.2.5 **Errors:** IBUK has the right to cancel, adjust or close out OTC Precious Metals transactions after confirmation to you to correct errors, including but not limited to OTC Precious Metals transactions subject to technical errors in IBUK's platform, OTC Precious Metals transactions cancelled or adjusted by IBUK's counterparties in connection with IBUK's execution of your transaction, and OTC Precious Metals transactions executed at prices not reasonably related to the correct market price.

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

### 12.3 Schedule 3 – OTC Metal Futures

- 12.3.1 OTC Metal Futures are Over-the-Counter derivatives contracts ("**OTC Metal Futures**") which are intended to reference the prices of the corresponding London Metal Exchange ("**LME**") futures. Entering into an OTC Metal Future does NOT constitute holding an LME position.
- 12.3.2 **Nature of the OTC Metal Futures:** OTC derivatives contracts in respect to certain metals ("**Metals**") are contracts which are intended to reference the corresponding Metal exchange registered future, in terms of price, type and specification of metal and lot size, but are not themselves exchange registered contracts, as they are not made between two Metal exchange clearing members and are not matched and registered with the Metal exchange. An OTC Metal Future is an OTC transaction with IBUK as your counterparty that generally reflects the prices provided under a licence by the LME of a contract to buy or sell a standard quantity of a Metal on a fixed date at a price agreed on transaction day. The transaction you enter with IBUK is OTC and it is not an LME registered client contract.
- 12.3.3 **Detailed Contract Specifications Available on the IBUK Website:** Further detail on contract specifications for OTC Metal Futures are provided on the IBUK website and the Client agrees to review such specifications prior to engaging in any OTC Metal Futures transaction. Contract specifications on the IBUK website shall be binding on the Client and on IBUK unless specifically in conflict with this Agreement or unless specifically agreed otherwise in writing between the Client and IBUK.

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- 12.3.4 **Close-Out Deadline:** The Client agrees to close out any open position in OTC Metal Futures by offset three (3) business days prior to the prompt/expiry date of the corresponding exchange registered contract. It is the Client's responsibility to make themselves aware of the last trading date for such contracts and the prompt/expiry date. If the Client has not closed out any position, IBUK shall have the right to liquidate the Client's position in the expiring contract, at any time and in any such manner as IBUK deems necessary, without prior notice to the Client.
- 12.3.5 **No Obligation to Provide Quotations:** IBUK is not obligated to provide quotes for any OTC Metal Futures at any time, and IBUK does not guarantee the continuous availability of quotations or trading for any OTC Future on Metals. **IBUK may in its sole discretion cease quoting and/or cease entering new OTC Metal Futures at any time.**
- 12.3.6 **Errors:** IBUK has the right to cancel, adjust or close out OTC Metal Futures after confirmation to you to correct errors, including but not limited to transactions subject to technical errors in IBUK's platform, hedging transactions cancelled or adjusted by IBUK's counterparties in connection with IBUK's execution of your transaction, and OTC Metal Futures executed at prices not reasonably related to the correct market price.
- 12.3.7 **Settlement:** All transactions relating to OTC Metal Futures shall be settled by payment of cash in U.S. dollars or the currency in which the OTC Metal Future was quoted, if not in dollars. Contracts shall settle in two (2) business days, unless otherwise specified on the IBUK website or in a notice to clients.
- 12.3.8 **Commissions, Spreads:** IBUK will charge a commission for OTC Metal Futures, in the amount specified on the IBUK website, and will deduct commissions as described in this Agreement. IBUK, and/or its affiliates or third parties with or through whom IBUK may hedge or effect its OTC Metal Futures trade, may also earn a "bid-ask spread" on the OTC Metal Futures transaction (meaning that you may pay a higher price to enter into the OTC Metal Future or receive a lower price to close the OTC Metal Future compared to the market prices for the future on the underlying Metal or compared to prices offered for the Metal future on the underlying Metal by other dealers).
- 12.3.9 **Margin for OTC Metal Futures:**
- 12.3.9.1 OTC Metal Futures are subject to the IBUK Margin Policies described in this Agreement. Margin Requirements for OTC Metal Futures will be calculated based on risk models utilised in IBUK's sole discretion. Further information is available on the IBUK website. IBUK may modify Margin Requirements for contracts on any underlying Metal or all underlying Metals for any open or new positions at any time, in IBUK's sole discretion.
- 12.3.9.2 The Client shall monitor their account so that at all times (including intra-day) the account contains sufficient equity to meet Margin Requirements. IBUK generally will not issue margin calls and generally will not allow any grace period in the Client's account for the Client to meet intraday or other margin deficiencies. IBUK is authorised to liquidate OTC Metal Futures and other account positions immediately in order to satisfy Margin Requirements without prior notice.
- 12.3.10 **Borrow Fees and Carrying Fees for OTC Metal Futures:** The Client will pay a carrying fee on the amount of all open long OTC Metal Futures positions held overnight, and a borrow fee on short positions held overnight. Borrow fees and carrying fees on open OTC Metal Futures are calculated and charged daily in the currency in which the contract is denominated. Fee rates are determined by IBUK and may be adjusted at any time in IBUK's sole discretion and may vary based on the balance. Fee rates are indicated on the IBUK website.
- 12.3.11 **Short Transaction in OTC Metal Futures; Possibility of Forced Closure of Open Short Positions:** Depending on regulatory restrictions, market conditions or other factors, short sales of OTC Metal Futures may or may not be allowed. Further IBUK reserves the right, at any time in its sole discretion, to close out your open short position by requiring the Client to buy in the OTC Metal Futures or by IBUK issuing order(s) for your account to buy in the OTC Metal Futures (without notice or consent by you).
- 12.3.12 **Position Limits:** IBUK may choose to or may be required to limit the number of contracts which you might have with us at any time and IBUK may in its sole discretion close out any one or more contracts in order to ensure that such position limits are maintained.



- 12.3.13 **Market Disruption:** In the event of severe market disruption and/or price volatility which may result or may have resulted in the current market value of a Metal moving to an unusual level, IBUK reserves the right to take one or more of the following courses of action (a) to close out any contract where significant loss has occurred or is expected by us; (b) to decline to renew expiring, or enter into new contracts. Trading activity on the Metals may from time to time be suspended or restricted by the exchange in the interests of, inter alia, maintaining a fair and orderly market. In such circumstances, IBUK may be unable to enter into or close out OTC Metal Futures.
- 12.3.14 **NOT an Exchange Transaction:** The Client understands and acknowledges that each OTC Metal Future entered with IBUK is governed by this Agreement, not by the rules of the exchange where the future on the Metal is traded. The Client also acknowledges that each Metal Future is an OTC transaction that is separate and distinct from the Metal exchange registered contract.
- 12.3.15 **Use of LME Data:** Prices and other data emanating directly or indirectly from the LME (“**LME Data**”) that might be displayed, from time to time, on the IB TWS are subject to the terms of a licence agreement between IBUK and the LME. The Client acknowledges that (a) any calculation that IBUK might create using the LME Data is different and distinct from the prices quoted by the LME; (b) the LME retains all the intellectual property rights over the LME Data, including those referred to in derived calculations. The Client is prohibited from copying, distributing, transmitting or otherwise making available to third parties any of the LME Data displayed on the IB TWS.