

## **INTERACTIVE BROKERS' CUSTOMER INFORMATION POLICIES AND PROCEDURES**

This disclosure provides Customers with information about Interactive Brokers' Customer Information Policies and Procedures, and is intended to make it clear that prior Customer or proprietary orders, as well as prior proprietary orders of Interactive Brokers ("IB") or its affiliates, will be represented for execution before subsequently transmitted Customer orders for the same securities which could be executed at the same price. In other words, all orders are to be executed on a "first come, first served basis."

IB does not engage in underwriting activities, nor do IB account executives engage in verbal communications with Customers for the purpose of making recommendations or giving advice with respect to the purchase or sale of financial products. IB Customer orders are ordinarily transmitted through IB's automated order routing system. As such, IB personnel have a limited role in relation to particular Customer orders. The policies and procedures described herein apply to all Interactive Brokers Group (the "Group") affiliates, and generally relate to the confidentiality and prevention of misuse of, or access to, Customer trading information, including Customer orders.

IB generally engages in proprietary trading only to correct errors, or in connection with authorized adjustments of Customer orders or accounts (e.g., close-outs, fails, or other similar transactions). Other Group affiliates are primarily engaged in proprietary trading, and may place orders with IB for execution.

Protections built into IB's automated order routing system assure that when a Customer order is entered into the IB system and transmitted for execution (e.g., to an exchange's electronic system), the identity of IB's Customer is anonymous. In addition, whether an order is designated as a Customer order or a proprietary order of IB or one of its affiliates, would not affect the priority of execution which the IB system allocates on a

"first come, first served" basis. The IB system is designed to prevent any subsequent Group proprietary orders to buy (or sell) any security from being executed prior to the execution of Customer orders to buy (or sell) the same securities previously entered into the IB system which could be executed at the same price. The integrity of these systems is tested by an audit trail which is maintained and which time stamps all proprietary and Customer orders. Further, the IB trading system is designed to prevent the disclosure of Customer orders to any person, including Group personnel, prior to the transmission of these orders to the exchange or market center for execution, and prior to display to IB customers on the Interactive Brokers Book. For the purpose of facilitating execution, the Interactive Brokers Book displays competitive bids and offers with their associated sizes as they appear on the Interactive Brokers Book to IB customers and Group personnel on the same basis. The Group trading systems that generate, and are responsible for, entering the proprietary orders of the Group do not view, and their input is independent from, Customer orders.

Finally, only a limited number of identified and approved personnel of the Group may enter proprietary orders or affect the trading engaged in through the systems that generate the Group's proprietary orders. These personnel are prohibited from causing the execution of subsequent Group proprietary orders to buy (or sell) any security on any exchange or market center if they have knowledge of any particular prior unexecuted customer orders to buy (or sell) such security which could be executed at the same price.