



# INTERACTIVE BROKERS' "REFER-A-FRIEND" PROGRAM TERMS AND CONDITIONS

This **Agreement** governs the "Refer-A-Friend" program (the "**Program**") offered by one of the Interactive Brokers Group, Inc. companies (collectively, "**IBKR**", "**we**" or "**us**"). Participation in the Program in any way, whether as a referring or referred person, and/or as a recipient of any Interactive Brokers Group, Inc. shares awarded under the Program ("**Participants**" or "**you**"), constitutes acceptance of this Agreement. All references to dollar amounts are in U.S. dollars ("USD").

1. **Introduction.** Under the Program, existing IBKR account holders ("**Referring Clients**") may invite other potential new clients ("**Referred Clients**") to open an IBKR brokerage account. Subject to the terms and conditions described below, the Referred Client will receive \$1 worth of Class A common stock of Interactive Brokers Group, Inc. ("**Shares**") for each \$300 (or its equivalent in another currency) in net deposits of cash or other assets to the Referred Client's IBKR account during the first year following the date of the first deposit into the Referred Client's IBKR account ("**Award Period**"). **The maximum "Net Value Awarded" that a Referred Client may receive is \$1,000 in Shares** (calculated according to the formula see Net Value Awarded defined below). A Referred Client may only receive Shares once under the Program.

The Referring Client will receive compensation in the form of a flat fee payment (the "**Payment**"). The terms of this Payment are described on IBKR's website and may be amended at IBKR's sole discretion.

2. **Changes to Terms of the Program.** IBKR may change the terms of the Program in its sole discretion, including for legal or commercial reasons. The current terms of the Program are specified on the IBKR public website and on the FAQ Page and such terms may be modified at any time.
3. **Exclusions.** The following exclusions apply to Participants in the Program and may be modified at any time in IBKR's sole discretion.
  - Financial Advisors, Hedge Funds, Introducing Brokers, or Proprietary Trading Firms are not eligible to participate in the Program.

- Residents of mainland China, Spain, Portugal, Japan, Denmark, Israel and Poland are not eligible to participate in the Program.
- Referred Clients that open accounts with Interactive Brokers Canada Inc. or Interactive Brokers (India) Private Limited are not eligible to receive Shares.
- Referring Clients with accounts at Interactive Brokers (India) Private Limited are only eligible to receive Payments for Referred Clients that open accounts at Interactive Brokers (India) Private Limited.
- Referring Clients with accounts at Interactive Brokers Australia Pty Limited are only eligible to receive Payments for Referred Clients that open accounts at Interactive Brokers Australia Pty Limited.
- Tax-advantaged accounts are not eligible to participate in the Program. Shares and Payments will not be awarded where IB has confirmed that local law or regulation prohibits such arrangements.
- Employees of IBKR are not eligible to participate in the Program or to receive Shares or Payments.
- Payments and Shares will not be awarded when the Referring Client and the Referred Client are family members or others living at the same exact physical address.
- Payments and Shares will not be awarded to any Referring Client or Referred Client if IBKR in its sole discretion believes that an account has been involved in any suspicious activity as described in the IBKR Client Agreement or otherwise.

IBKR reserves the right to close the Program to new Participants at any time.

Accounts established in order to improperly exploit, abuse or undermine the Program (as solely determined by IBKR) are not eligible to receive Shares or Payments.

4. **Referred Client Eligibility.** Subject to the exclusions noted above, and as amended from time to time by IBKR, Referred Clients are eligible to receive Shares if: (i) they were not an IBKR account holder prior to the date of receipt of the referral invitation from a Referring Client; (ii) following receipt of that referral invitation, they apply for (using the instructions provided in the referral invitation) and are approved to maintain a new IBKR brokerage account, subject to IBKR's eligibility requirements and other terms and conditions, including, but not limited to, minimum equity requirements and execution of the applicable Customer

Agreement(s) for the relevant IBKR affiliate offering the account; and (iii) on the date the Referred Client funds their account, the Referring Client's account remains open.

**Eligibility to open an IBKR brokerage account is determined at the sole discretion of IBKR, in accordance with all applicable requirements, terms, policies and procedures, which may vary over time and jurisdiction, and may be revised at any time without notice.**

5. **Referring Client Eligibility.** Referring Clients are prohibited from acting as a broker or dealer, as defined by U.S. securities regulation, and from having any involvement with IBKR client accounts beyond the initial referral.

By participating in the Program, the Referring Client acknowledges and agrees that:

- Referring Client will not have any involvement with a Referred Client's IBKR account after the initial referral. Specifically, Referring Client agrees not to do any of the following:
  - help set up the Referred Client's account;
  - train Referred Clients to use IBKR's trading platform, solicit or place orders or have any other ongoing involvement in the referred client's trading of their IBKR account;
  - act as financial advisor or hold power of attorney or discretionary trading authority over a Referred Client's account;
  - act as a point of contact between the Referred Client and IBKR; or distribute advertising or marketing materials about IBKR without IB's written consent.
- Referring Client will not hold itself out as an employee or agent of IBKR.
- IBKR will pay Referring Client a flat fee Payment of USD 200 per eligible referral for up to fifteen (15) friends or family in a calendar year and thirty (30) total. The Referring Client will only receive this payment if the Referred Client opens an account through the shared link, deposits at least USD 10,000 within thirty (30) days, and maintains at least that amount for one year following the opening of the account.
- Referring Clients may only receive one Payment for each Referred Client that opens an account, even if the Referred Client opens more than one IBKR account.

- Referring Client confirms that it is not a resident of mainland China, Spain, Portugal, Japan, Denmark, Israel or Poland and understands that IBKR will not issue a Payment to Referring Clients who are domiciled in mainland China, Spain, Portugal, Japan, Denmark, Israel, Poland or other countries IB confirms prohibit participation in the Program.

6. **Computation of Awarded Shares.** As described above, Referred Clients are entitled to an award of Shares based on the net deposits into their IBKR account during the Award Period. As a result, the number of Shares to which the Referred Client is entitled may increase or decrease as deposits or withdrawals are made into the Referred Client's IBKR account. The date which IBKR shall first award the Shares earned and reflected in Referred Client's IBKR account statement shall be the Award Date. IBKR will update the Referred Client's Share award daily and Referred Client will see this "Welcome Share Balance" in their IBKR account. The "Welcome Share Balance" represents the number of Shares credited to a Referred Client's account. At the end of the Award Period, the number of Shares earned will be fixed and no longer increase with deposits into or decrease with withdrawals from the Referred Client's account.

During the Award Period:

- IBKR will grant Shares to the Referred Client's IBKR account based on cash or the net fair market value of assets deposited into the Referred Client's account ("**Deposit Value**"), with \$1 worth of Shares granted for each \$300 in Deposit Value. IBKR will remove Shares from the Referred Client's account (using a first in, first out method) based on cash or the net fair market value of assets withdrawn ("**Withdrawal Value**"), with \$1 worth of prior awards removed for each \$300 in Withdrawal Value. During the Award Period, cumulative Deposit Value minus Withdrawal Value is the "**Net Deposit Value.**"  $\text{Net Deposit Value} / 300$  is the "**Net Value Awarded.**" **Net Value Awarded cannot exceed \$1,000.**
- The Welcome Share Balance will increase upon a deposit into the Referred Client's account based on the following formula: **Number of Shares Awarded = (Deposit Value / 300) / (Closing Price Per Share of IBKR on the day of the deposit).**
  1. For example, if the closing price of IBKR shares is \$50 and the Referred Client deposits \$30,000, the Welcome Share Balance for that day will increase by two (2) shares  $[(\$30,000 / 300) / \$50 = 2]$ . *This is described in row 1 of Figure 1 below.*
- The Welcome Share Balance will decrease (not below zero) upon a withdrawal from the Referred Client based on the following formula: **Number of Shares Returned to IBKR = (Withdrawal Value / Net Deposit Value Before Withdrawal) x Welcome Share Balance Before Withdrawal.**

1. For example, after the deposit described in the prior bullet point, the Referred Client would have a Welcome Share Balance of 2 shares and a Net Deposit Value of \$30,000. If, the day after this deposit, the Referred Client withdraws \$15,000 from the Referred Client's account, the Welcome Share Balance would decrease by 1 share:  $(\$15,000 / \$30,000) \times 2 = 1$ . Net Value Awarded would decrease by \$50, from \$100 to \$50. NOTE: the IBKR share price on the date of withdrawal is not a variable in calculating the decrease in Welcome Share Balance due to a withdrawal. This is reflected in Rows 2 and 4 of Figure 1.

**Figure 1 - Fluctuation in Welcome Share Balance based on deposits and withdrawals to Referred Account**

	Deposit (+) or Withdrawal (-)	Award Value Granted (+) or Returned (-)	IBKR Share Price	Shares Awarded (+) or Returned (-)	Beginning Share Balance	Ending Share Balance	Net Value Awarded
1	+\$30,000	+\$100	\$50	+2	0	2	\$100
2	-\$15,000	-\$50	N/A	-1	2	1	\$50
3	+\$120,000	+\$400	\$40	+10	1	11	\$450
4	-\$90,000	-\$300	N/A	-7.33	11	3.67	\$150

\*Cannot exceed \$1,000

7. **Transfer / Sale Restriction on Shares.** Shares awarded to the Referred Client may not be sold, exchanged, transferred, assigned or otherwise disposed of in any manner (including through the use of any derivative instrument) for one year from the Award Date (the "**Anniversary Date**", and collectively, the "**Transfer Restriction**"). Any attempt to transfer, sell, exchange, assign or dispose of Shares in violation of the Transfer Restriction is void and Referred Client authorizes IBKR to reject any such attempt. Referred Client agrees to own the Shares either until returned or through the Anniversary Date of each Share awarded. For the avoidance of doubt, prior to the Anniversary Date of any award, any attempt to sell Shares through IBKR or any other broker or to transfer Shares to another broker is a violation of the Transfer Restriction and will not be processed by IBKR. **\*\*Note, however, that IBKR is authorized to use Shares to satisfy obligations you owe to IBKR in any IBKR margin account at any time, including the liquidation of such shares to satisfy margin requirements in accordance with the terms of the applicable IBKR Customer Agreement.\*\***

8. Similarly, Shares may not be used to satisfy any settlement obligations, including those associated with a derivative instrument (such as a call option) prior to the Anniversary Date. If, prior to the Anniversary Date, either the Referred Client's account is closed for any reason or no longer in good standing, any unvested Shares in the Referred Client's account are forfeited and IBKR shall reclaim these Shares for no additional consideration. Notwithstanding any other Paragraph of this Agreement, if Referred Client dies prior to the Anniversary Date of any Share award, and after receipt of such documentation as IBKR may require, IBKR may waive the Transfer Restriction and transfer the Shares to Referred Client's heirs.
9. **Dividends.** Referred Clients will be entitled to receive any and all dividends or other distributions paid with respect to the Shares in Referred Client's IBKR account, although the tax treatment of such distributions may differ from the treatment if the Transfer Restriction had not been in effect prior to the Anniversary Date.
10. **Voting.** Referred Clients will be entitled to vote the Shares included in the Welcome Share Balance reflected in their IBKR account.
11. **Responsibility for Taxes.** Participants are responsible for all tax payment and reporting obligations that arise as a result of participating in the Program, including any Payments received, the grant, vesting, settlement or ownership of the Shares, the subsequent sale or other disposition of any Shares (whether before or after the Anniversary Date or any amounts paid with respect to the Shares) ("**Tax-Related Items**"). IBKR is not liable or responsible for any taxes with regard to the Tax-Related Items. However, IBKR reserves the right to withhold or report on any Tax-Related Items to the extent required by law. In this regard, Referred Client authorizes IBKR, in its sole discretion, to satisfy any withholding obligations in connection with any Tax-Related Items, including: (a) offsetting against cash distributable to Referred Client or held or otherwise available in Referred Client's IBKR account; (b) retaining Shares; (c) arranging for the sale of Shares or other assets otherwise held in a Referred Client's IBKR account (as directed by Referred Client pursuant to this authorization); (d) withholding from sales proceeds otherwise payable to the Referred Client; or (e) adding the amount to the margin balance of the Referred Client's IBKR account (to the extent permitted). IBKR shall withhold Shares to satisfy any tax obligation in Referred Client's IBKR account unless IBKR determines otherwise. IBKR may refuse to permit any sale or transfer of the Shares or settle any sale of Shares if Referred Client fails to comply with its obligations in connection with the Tax-Related Items as described in this Section.

For Referred Client accounts owned by U.S. tax residents, IBKR shall treat the fair market value of the Shares on the date the Transfer Restrictions lapse as ordinary taxable income to Referred Client. IBKR shall issue IRS Form 1099-MISC to Referred Client reporting such income.

12. **Electronic Delivery and Acceptance.** Participants consent to receive all records and documentation related to the Program by electronic means as provided in the customer agreement associated with their Account as amended or updated from time to time.
13. **Data Privacy.** You acknowledge and consent to the collection, use, processing and transfer of personal data as described in IBG Privacy Statement, which can be found [here](#), and the customer agreement associated with your IBKR account as amended or updated from time to time.
14. **Overriding Restriction.** If we determine that any of these terms or conditions of this Agreement were not satisfied at any time (including after the Anniversary Date), then we may reclaim the Shares if still in an IBKR account, or Referred Client shall be obligated to pay IBKR immediately upon demand therefor, an amount equal to the fair market value (determined at the time the Transfer Restrictions lapsed) of such Shares, without reduction for any amount applied to satisfy any withholding tax or other obligations in respect of such Shares.
15. **Other Restrictions.** IBKR may amend or terminate this Agreement with or without prior notice to you as it deems necessary, desirable or appropriate.
16. **Entire Agreement.** Your rights hereunder are subject to the terms of this Agreement. You agree to be bound by the terms of this Agreement, and acknowledge having read and understood this Agreement. This Agreement constitutes the entire agreement and supersedes all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. No waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.
17. **Section Headings.** The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.
18. **Customer Agreement.** The terms and conditions of the customer agreement as amended or updated from time to time associated with a Referring, Referred or other IBKR Account apply to the fullest extent possible to the extent not inconsistent with this Agreement.
19. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to conflict of law principles thereunder. In all judicial actions, arbitrations or dispute resolution methods, Participants waive any right to punitive damages.
20. **Mandatory Arbitration; Waiver of Jury Trial.** The dispute resolution procedures of the customer agreement associated with your IBKR account as amended or updated from time to time apply mutatis mutandis to this

**Agreement. This means any dispute, controversy or claim between you and us, arising out of or relating to or concerning this Agreement, shall be finally settled through mandatory arbitration and Program participants waive any right to a jury trial. By electronically indicated acceptance of this Agreement, or by participating in the Program, you acknowledge this Agreement contains (by incorporation) a pre-dispute arbitration clause and that they have received, read and understood the terms thereof.**

21. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
22. **Imposition of Other Requirements; Regulatory Requirements.** We may require you to provide such other assurances and representations to us as we may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements. We may take such additional actions as are necessary to comply with any legal requirement and you agree to cooperate with the same. Neither receipt of Shares nor any communications related to the Program constitutes a solicitation of Shares or a recommendation to buy, sell, or hold Shares.