Introduced Account Instruction Guide

The introduced account agreements have been separated into 4 booklets:

- New Account Application for Individuals, Multi-Parties and Custodianships
- New Account Application for Entities
- New Account Agreement
- Third Party Agent Information Form and Agreements

Each customer should receive the appropriate application form plus the New Account Agreement which contains the majority of disclosures also required to be given to the account holder. In addition, the IB should forward the customer the appropriate W-8 or W-9 form. The customer should complete and execute the appropriate sections of the New Account Application and the W-8/W-9 and return them to the IB. The customer should retain Appendix B, Notice to Introduced Customers and the New Account Agreement for its records.

In the event that a customer would like to give trading authority to a third party agent:

1. the customer should designate the agent in the appropriate section of the New Account Application and execute the Third Party Agent Authorization
2. if the customer is an individual, the customer must sign the Third Party Agent Authorization and have his/her signature notarized
3. the customer should send the Third Party Agent Information Form and Agreements to the agent with a copy of the New Account Agreement
4. the agent should complete the Third Party Agent Information Form and Agreements and return it to the customer so that the customer can return it to the introducing broker with the rest of its account documentation

In order for each introducing broker to personalize these documents, the introducing broker should carefully review the documents and should be sure to insert the appropriate information in the forms. Attached is a checklist to be used in connection with the personalization of the documentation which highlights the sections of the various booklets that require the IB to insert information or require review, in particular, for accuracy.

If you have traditionally given your clients additional documents or disclosures that are not otherwise included in the Account Agreement, please provide GSEC with copies of that paperwork. Generally, those documents or disclosures should be given to your customers as additional supplements to the Account Agreement.

The following is a list of sections that require information or require your particular review for accuracy:

New Account Application for Individuals, Multi-Parties and Custodianships

Page/Section Number	***Action Item***	***Completed***
Cover page (welcome)	• Insert Logo at top of page	☐
Table of Contents	• Insert Logo at top of page • Insert IB name, address & phone at bottom of page	☐ ☐
Welcome Letter	• Insert Logo at top of page • Insert IB name in first Paragraph • Insert contact number in final paragraph • Insert IB name in signature block	☐ ☐ ☐ ☐
Page H-1, Disbursement Authorization	• Insert IB name and address at top of page (Please note, this may be omitted from the account application in your discretion. If you choose to omit it, you should delete item H from the Table of Contents) • Insert IB name in first paragraph	☐ ☐
Appendix B: Notice to Introduced Customers	• Insert IB name in first paragraph	☐

New Account Application for Entities

Page/Section Number	***Action Item***	***Completed***
Cover page (welcome)	• Insert Logo at top of page	☐
Table of Contents	• Insert Logo at top of page • Insert IB name, address & phone at bottom of page	☐ ☐
Welcome Letter	• Insert Logo at top of page • Insert IB name in first Paragraph • Insert contact number in final paragraph • Insert IB name in signature block	☐ ☐ ☐ ☐
Page F-1, Corporate and LLC Resolutions	• Insert IB name in the paragraph containing the First resolution	☐
Page F-2, Partnership Authorization	• Insert IB name in the paragraph containing the First resolution	☐
Page G-1, Disbursement Authorization	• Insert IB name and address at top of page • Insert IB name in first paragraph	☐ ☐
Appendix B: Notice to Introduced Customers	• Insert IB name in first paragraph	☐

Third Party Agent Information Form and Agreements

Page/Section Number	*Action Item*	*Completed*
Table of Contents	• Insert Logo at top of page • Insert IB name, address & phone at bottom of page	☐ ☐
Page B-1, Agent Undertakings	• Insert IB name in first paragraph	☐
Page C-1, Agent Electronic Services Supplement	• Page C-2, Section 6(a) indicate where agent can send notice of address change • Page C-2, Section 6(b) indicate where agent can send notice of address change	☐ ☐

New Account Agreement

Page/Section Number	*Action Item*	*Completed*
Cover page (welcome)	• Insert Logo at top of page	☐
Table of Contents	• Insert Logo at top of page • Insert IB name, address & phone at bottom of page	☐ ☐
Page A-1, Account Agreement	• Insert IB name in first paragraph	☐
Page A-3, Account Agreement, Section 8	• Verify that the language bolded in red is true and correct; if it is, correct font; if it isn't, delete	☐
Page B-1, Payment for Order Flow and After Hours Equity Trading Disclosure Statement	• Insert IB's disclosure regarding payment for order flow (ie, IB accepts or does not accept payment for order flow) • Confirm accuracy of disclosure, in particular Sections 2, 5, 6, and 7	☐ ☐
Page D-1, Electronic Services Supplement	• Page D-2, Section 7(a) indicate where client can send notice of address change • Page D-2, Section 7(b) indicate where client can send notice of address change	☐ ☐
Page G-1, Interest Charges Disclosure Statement, paragraph 2	• Language says that margin interest will be quoted as fed funds, fed open or broker call. The max rates will be fed funds or fed open plus 600 basis pts, or broker call plus 500. IB must confirm that it will not quote rates in excess of this max. If it will, it must notify SLK. Rates CANNOT be set over the max without revising this disclosure	☐
Section K-1, Privacy Notice	• Insert IB's Privacy Notice	☐
Section L-1, Broker's Business Continuity Program for Disaster Recovery	• Insert IB's disclosure regarding business continuity	☐

New Account Agreement - Continued

Page/Section Number	*Action Item*	*Completed*
Page O-1, Security Futures Contract Supplement, Section 4	• Verify that IB does not make any recommendation as to where orders for security futures contracts should be executed and that IB does not undertake to notify Client of price improvement opportunities or more advantageous execution quality at particular exchange venues; if it is accurate, correct font and remove highlight; if it is not correct, modify sentence so that it reads that "Clearing Firm does not make…" • NOTE: IB is <u>not</u> required to offer this product to its clients. If IB doesn't want to offer the product, supplement should be deleted and all references in the **<u>table of contents</u>** and the **<u>entity application</u>** should also be deleted.	☐ ☐