

Electronic Systems Compliance Policy

This Electronic Trading Systems Compliance Policy (“Policy”), applies to each Matrix customer (“Customer”) that utilizes Matrix’s products to enter, route, and manage options, futures, and/or equity orders (the “Products”) and Matrix’s execution services (the “Services”). This Policy may be revised by Matrix from time to time and any such revisions shall be effective upon posting to this website and written notice and acceptance of the Customer. By utilizing the Products and Services, Customer acknowledges that Customer has read and understands this Policy and Customer agrees that its use of the Products and Services shall be at all times in accordance with this Policy. Customer further acknowledges and agrees that it shall be responsible to review this Policy for any subsequent revisions.

1. Applicable Laws and Rules

- 1.1. All use of the Products and Services shall be subject to applicable laws, governmental, regulatory, self-regulatory, exchange, or clearing house rules, and the customs and usages of the exchange or clearing house on or through which they are executed and cleared, as are in force from time to time (“Applicable Laws”).
- 1.2. Additionally, Customer represents and warrants that it has in-place and will monitor and enforce adequate policies and procedures to ensure its use of the Software will comply with all applicable laws, rules and regulations in effect during the terms of this Agreement in connection with use of the Software, including, without limitation, (i) applicable privacy laws and regulations; (ii) any applicable exchange or self-regulatory organization rules and regulations including, without limitation, rules regarding front running, the misuse of material, nonpublic information, unbundling of orders, electronic trading and solicited transactions; (iii) applicable anti-money laundering regulations; (iv) adherence with the USA Patriot Act; applicable state and federal laws and regulations including, but not limited to Section 10 of and Rule 10b-5 under, the Securities Exchange Act of 1934 amended (the “Exchange Act”)(collectively “Applicable Rules”).
- 1.3. In accordance with subparagraph (d)(1) of the Exchange Act Rule 15c3-5 (“15c3-5”), Matrix hereby allocates to Customer responsibility for the specific regulatory risk management controls and supervisory procedures (“Supervisory Controls”) described in subparagraph (c)(2) of 15c2-5, and Customer hereby accepts such allocation. The parties have determined that, between Customer and Matrix, Customer has better access to the ultimate customers and their trading information and it can more effectively implement the controls and procedures required by subparagraph (c)(2) of 15c3-5. Specifically, Customer represents and warrants that it has, and covenants to have at all times, controls and supervisory procedures reasonably designed to: (i) prevent the entry of orders unless there has been compliance with all regulatory requirements, (ii) prevent order entry by the Customer or its customer if either is restricted from trading the subject securities, (iii) restrict market access technology and systems only to authorized persons, and (iv) provide surveillance personnel with immediate post-trade execution reports.
- 1.4. Subject to Customer’s obligations under Applicable Law (e.g., best execution obligations from the common law of agency’s duty of loyalty or FINRA Rule 5310), Customer agrees to send to Matrix for execution orders for U.S. options, futures, and futures options (“Derivatives”) that Customer may from time to time seek to execute and/or route (including on behalf of its clients). Such orders include any order for a Derivative traded on a U.S. exchange, marketplace or venue (“Derivatives Orders”). In connection with the foregoing, Customer agrees to make such disclosure to its clients as may be required under Applicable Law or as it otherwise deems appropriate in order to comply with its undertakings under this Section 1 of this Schedule. Notwithstanding the foregoing, Customer may establish one or more brokerage and/or clearing arrangements with broker-dealers and may send Derivatives Orders to any such broker-dealer during the Term in the event that Matrix is unable to, or elects not to, execute any such Derivatives Order, including because Matrix cancels or rejects such order or because of system or other malfunctions at Matrix.

2. Order Entry and Clearing

- 2.1. Matrix does not maintain accounts for Customers. Unless Customer domiciles all of the accounts of its users, Matrix will notify Customer’s Clearing Member (the broker-dealer firm that holds and carries the Customer’s account(s)), of Customer’s use of the Products and Services. Customer will be responsible for the accurate placement of orders using the Products. Matrix’s services are predicated upon either (a) Customer’s Clearing Member authorizing Matrix to give up the Clearing Member’s OCC account identification for those trades executed by Matrix on behalf of Customer, or (b) Customer’s Clearing Member entering into a Clearing Member Trade Assignment Agreement (“CMTA”), properly executed and filed with the Options Clearing Corporation (“OCC”), to accept trades executed by Matrix on behalf of Customer.
- 2.2. Matrix will be acting solely in the capacity of executing broker. As an executing broker, Matrix will not make any trade recommendations or advise Customer as to the appropriateness of entering any order; or maintaining, establishing, or liquidating a position. Matrix also does not enter exercise advice forms on the Exchanges on behalf of Customers. Matrix

will, however, provide Customers with market quotations and will execute those orders sent to Matrix by Customers. Matrix will also provide reports to Customers and their Clearing Member on the disposition of orders executed for the Customer by Matrix.

- 2.3. Customer will be responsible for supplying all information Matrix may reasonably request as a result of a regulatory inquiry related to Customer's use of Products or Services. Customer acknowledges and agrees that Matrix may report such information to the applicable regulator when required. Further, Customer acknowledges and agrees that Matrix may monitor use of Products and Services for its own purposes (and not for Customers' benefit).
- 2.4. Matrix reserves the right to reject any order which Customer may transmit to Matrix for execution and shall promptly notify Customer of any such rejection. Customer acknowledges and agrees that Matrix's obligation to execute orders for Customer will at all times be within any limitations or restrictions set by Customer's Clearing Member, and that Matrix shall be under no obligation to execute any orders which are outside limitations or restrictions set by Customer's Clearing Member.

3. Prohibited Activities.

- 3.1. The following are some examples of activities that are prohibited under Applicable Laws and Applicable Rules when utilizing Products and Services to enter orders for automatic execution through an exchanges order routing system ("ORS").
 - (a) The execution of orders the Customer represents as agent on an exchange through the use of orders solicited by the Customer unless the original order is first exposed to the marketplace for at least the time period prescribed by such exchange, unless an exchange auction mechanism is used;
 - (b) To enter or permit the entry of limit orders into an exchange's ORS if (i) the orders are for the account or accounts of the same beneficial owner(s) and (ii) are entered in such a manner that the beneficial owner(s) effectively is operating as a market-maker by holding itself out as willing to buy and sell securities on a regular or continuous basis;
 - (c) The dissemination of information to third parties regarding orders submitted to an exchange once such orders have entered into an exchange "auction process", or a pattern or practice of submitting unrelated orders that cause an early termination of any exchange auction process.
- 3.2. These examples do not represent all of the types of prohibited activities and Customer agrees that it shall be solely responsible to ensure that its use of the Products and Services is in compliance with the Applicable Laws and Applicable Rules when utilizing Products and Services.

4. Customer Accounts.

- 4.1. Customer's account(s) shall be account(s) maintained with the Clearing Member and the Clearing Member shall be responsible to provide Customer all information and documents required by Applicable Laws and Applicable Rules.
- 4.2. Customer shall be deemed a customer of the Clearing Member for purposes of the financial responsibility rules (and Customer protection rules if Customer is not a broker-dealer) adopted by the Securities and Exchange Commission under the Securities Act of 1934, and for purposes of the Securities Investor Protection Act and regulations adopted thereunder.
- 4.3. Responsibility for the supervision of Customer's account(s), including each of the following functions, shall be the responsibility of the Clearing Member and not Matrix:
 - (a) Opening, approving, and monitoring the account, including obtaining and verifying new account information;
 - (b) Obtaining personal information from the customer, including investment objectives;
 - (c) Reviewing the account (if a non broker-dealer) and all orders in it, which includes supervising all investment advice and recommendations given to the customer, determining that the customer is no unsuitable for the recommended transactions, and if the account is a discretionary account, supervising the exercise of such discretion;
 - (d) Any extensions of credit to the Customer, determining maintenance margin, paying and charging interest and the re-hypothecation or loan of any of the Customer's margin securities;

- (e) Maintaining books and records related to Customer's account with the Clearing Member;
- (f) Safeguarding funds and securities;
- (g) Preparing and transmitting necessary confirmations and account statements;
- (h) Monitoring compliance with position and exercise limits.