

# IB CAPITAL LP. FEE AUTHORIZATION.

## Fee authorization form.

The purpose of this document is for you, the client, to advise IB CAPITAL LP. as to the compensation you have agreed to pay your designated trading agent and/or your introducing broker. Please be advised that IB CAPITAL LP. is not responsible for calculating incentive fees or management fees and will assume the calculations provided to it by the trading agent or introducing broker to be correct. Please also note that if your introducing broker has requested IB CAPITAL LP. to mark up the spread (widen the spread on the prices) being streamed to you, that IB CAPITAL LP. does not participate in the additional pip(s) being added to the pricing and that the mark up will not be reflected on your trading statement as a separate line item. Further, please be advised that if you're introducing broker or designated trading agent is charging a commission and managing your account under a limited power of attorney that there is an inherent conflict of interest in that arrangement.

The undersigned client;

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Hereby agrees to, authorizes and acknowledges that the following fee(s) will be charged to my account and paid to the introducing broker or the authorized trading agent as set forth below.

**In the space next to the fee(s) that are to be charged to your account, write in the dollar amount, the number of pips, the percentage of net equity gain, the pip mark up or the management fee to be paid. More than one fee may be indicated. Leave the space(s) blank if that fee is not to be charged.**

\_\_\_\_\_ US Dollars per standard lot round turn traded for commission.

\_\_\_\_\_ Pips per standard lot round turn traded for commission.

\_\_\_\_\_ % Management fee per annum, calculated and paid monthly.

\_\_\_\_\_ % Performance fee\* calculated and paid on a monthly basis.

\*Performance fees are calculated based on the HIGH WATER MARK principle.

**HIGH WATER MARK CALCULATION:** A clients may deposit, for example, €40,000 and the Performance fee is set at 20%. At the end of the first month, the balance on the account is €42,000. First month profit for IB is €400 (20% of €2000) –€40,000 is the high watermark. The beginning balance for client becomes €41,600 (or €42,000 – €400) and this becomes the new high water mark. On the second month, the ending balance on the account is €39,000. No performance fee is paid; the high water mark remains €41,600. This example assumes that there were no new deposits (which increase the high water mark) or new withdrawals (which decrease the high water mark).



I hereby agree that the performance fee shall be calculated by my designated trading agent or introducing broker and that I have authorized him/her to trade my account under a limited power of attorney.

I hereby specifically acknowledge and agree that there is an inherent conflict of interest in paying my trading agent a per trade commission.

I also understand and agree that IB CAPITAL LP. does not calculate the performance fee or management fee nor will IB CAPITAL LP. be obliged to check or verify in any way the performance fee or management fee figures presented by my trading agent. I hereby indemnify and hold IB CAPITAL LP. harmless against any and all losses, costs and expenses incurred in my account and/or errors made in calculating the performance fee.

**Primary account holder;**

Print name:

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Date:

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Signature:

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**Co-owner / Joint account holder;**

Print name:

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Date:

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Signature:

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