NATIONAL BANK
DIRECT BROKERAGE

OPTIONS TRADING REQUEST

Account No. ____ First and last name of the account holder *(in block letters)* ____ Social Insurance No. ____

First and last name of the co-holder, if applicable *(in block letters)* ____ Social Insurance No. ____

CHOOSING THE TYPES OF OPTIONS YOU PLAN TO TRADE

Indicate the type of options you plan to trade (check one box below). Each type includes those listed before it.

Subject to approval of R.O.P.

- ☐ Purchase of options
- ☐ Covered call writing
- ☐ Options strategies
- ☐ Uncovered options writing

Do you have experience with Options? ☐ Yes ☐ No If so, indicate the number of years: ____ Year(s)

How would you rate your knowledge in options? ☐ None or little ☐ Average ☐ Good ☐ Excellent

Financial information of the account holder:

Annual income	Net liquid assets (a)	Net fixed assets (b)	Total net worth (a + b)
			0.00

Financial information of the account co-holder:

Annual income	Net liquid assets (a)	Net fixed assets (b)	Total net worth (a + b)
			0.00

Following a regulation of the Montreal Exchange (MX), we are required to identify all beneficial owners with more than 50% interest in the account. By interest, we mean participation, control or influence.

- ☐ There is no beneficial owner with more than 50% interest
- ☐ If the beneficial owner of more than 50% **is an individual**, please submit the social insurance number (SIN) of the individual: ____
- ☐ If the beneficial owner of more than 50% **is a corporation**, please submit its registration number: ____
- ☐ If the beneficial owner of more than 50% **is any other type of entity** (Trust, Estate etc..),please submit its complete legal name as shown on the relevant documents creating the said entity: ____

YOUR AGREEMENT

By signing below, you acknowledge and agree that:

- You have received, read and understood the terms and conditions of the Option Trading Agreement and the provisions of this agreement and agree to be bound by it. This Agreement, the provisions contained in the client file you have completed ,the general account agreement and specific agreements related to accounts you have selected represent our agreement with you;
- You read, understood and agree to the "Risk Disclosure Statement for Futures and Options" relating to your options trading accounts contained in this agreement;
- In the event of conflict between the general terms and conditions in these documents and in this Options Trading Agreement, the Options Trading Agreement will prevail.

Date (MM DD YYYY) ____ **X** ____ Signature of the account holder

Date (MM DD YYYY) ____ **X** ____ Signature of the account co-holder (if applicable)

RESERVED FOR THE COMPLIANCE OPTION SUPERVISOR USE ONLY

Date (MM DD YYYY) ____ **X** ____ Signature of the supervisor ____ First and last name of the supervisor

RESERVED FOR BRANCH USE ONLY

Date (MM DD YYYY) ____ First and last name of NBC advisor ____ Transit ____

RESERVED FOR NBDB USE ONLY

Date (MM DD YYYY) ____ First and last name of the employee ____ ☐ SSC verification

OPTIONS TRADING AGREEMENT

In consideration of the Broker agreeing to act as an investment dealer for any Options Trading Accounts in the Client's name, the Client consents and undertakes to comply with the following terms and conditions:

1. REFERENCES

All the clauses of the Cash Account Agreement and the Margin Account Agreement shall form an integral part of this Options Trading Agreement, including the necessary adjustments in view of the context of an Options Trading Account.

2. OPTIONS

The Broker shall act, from time to time, as a dealer for the purchase, sale or execution of puts and calls that can be traded on a recognized market, or other Options Transactions (hereinafter called the "Options").

3. ROLE OF THE CLIENT

The Client acknowledges that he has the required knowledge, necessary experience and required financial resources to carry out and support any Options trade in which he may participate.

4. REGULATIONS

In addition to the rules imposed by the Broker, Options shall be subject to the provisions of the rules of the various clearing corporations which issue Options, of the exchanges on which the Options are traded, and of any other competent self-regulatory agency. The Client undertakes to comply with position limits, maximum limits on short positions, exercise limits, margin requirements, subsequent transaction requirements and all other requirements determined at the option of the Broker and the competent self-regulatory agencies concerned. The Client undertakes to comply with the requirements currently in force that may be subsequently amended at the option of the Broker.

5. LIMITS

The Client acknowledges that limits may be set on short positions, and that in the last ten (10) days preceding the expiry of an Option, a cash-only basis may apply for Transactions, which may vary at the option of the Broker and the competent self-regulatory agencies concerned.

6. ASSIGNMENT

The Broker shall assign exercise notices for Options on a random selection basis or otherwise, as it may deem appropriate. For this purpose, the Broker shall maintain a register according to the execution date of the initial sales of Options traded by its clients.

7. INSTRUCTIONS

The Client shall provide instructions to the Broker in a timely manner concerning the sale, close-out or exercise of any Option or any other action to be taken regarding his Options. The Client acknowledges that the Broker shall have no duty or obligation to take any measures with regard to the Options or exercise the Client's Options before their expiry without specific instructions from the Client. The office of the Broker where the Client shall transmit his instructions regarding Options

Trading shall be open during local business hours, but an order may be executed at any time during the session of the exchange concerned. Notice of the Client's intention to exercise an Option shall be required to be given no later than 4:00 p.m., Montreal time, on the business day preceding the expiry date of the Option.

8. POWERS OF THE BROKER

Any order to trade an Option given by the Client may be refused by the Broker at its entire discretion. Should the Broker deem it necessary or desirable, particularly in the case of insolvency, death, bankruptcy, or any other event that could change the Client's financial condition, the Broker may, without having to first notify the Client, take all the measures required to protect its interests against any losses. Without limiting the generality of the foregoing, the Broker may, in particular, sell any Securities held for the Client's account, purchase any Securities for which the Client's Account is short, or buy or sell any uncovered Options for the Client's account and at his risk.

DISCLOSURE OF CHARGES BEFORE THE TRANSACTION

The charges and fees specified in the Commission and General Fee Schedule apply to the transactions made in your account. These transactions include:

a. The sale or purchase of securities,
b. The liquidation or closure of a position made by the Broker, such as when your margin account is subject to a margin call,
c. Exercising an option contract,
d. The liquidation of securities to make a payment from your RRIF account in the case that sufficient cash is not available,
e. The handling of an estate account when securities are to be liquidated.

If the liquidated securities include deferred sales charges, you will also have to pay these charges. For more details on these charges and fees, please refer to the "Commission fees" available in the "Pricing" section of the nbdb.ca homepage and prospectus.

9. DELAYS

The Client acknowledges that an exercise notice in respect of an expired option position may reach him several days after trading has ceased on the said Option since listed expiring Options cease to be traded some time before the scheduled hour in order to allow the last exercise notice to be allocated, and that administrative delays and delays in transmission due to failures or the slowness of the information transmission or communication system may occur. The Client further acknowledges that such a delay may cause him to suffer an unexpected loss, for which the Broker is not liable, and that for such purpose, the Broker has specific margin rules for Clients who contract expiring Options.

10. LIABILITY OF THE BROKER

The Broker may not be held liable for errors and omissions affecting an order or the execution thereof regarding the purchase, sale, execution or expiry of Options or any other Options Transaction unless such error or omission is caused by the Broker's gross negligence or wilful misconduct.

11. ACCURACY AND CHANGE OF INFORMATION

The Client confirms that any information provided concerning the opening of an Options Trading Account is complete and accurate. The Client further undertakes to inform the Broker of any changes affecting his financial condition including, without limiting the scope thereof, any Options trading restriction to which he may be subject.

RISK DISCLOSURE STATEMENT
(Integral texts in compliance with regulations)

Risk disclosure statement for futures and options

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

Futures

1. EFFECT OF "LEVERAGE" OR "GEARING"

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you or in your favour. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

2. RISK-REDUCING ORDERS OR STRATEGIES

The placing of certain orders (e.g. "stop-loss" order, where permitted under local law, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

3. VARIABLE DEGREE OF RISK

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-themoney options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs.

When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Additional risks common to futures and options

4. TERMS AND CONDITIONS OF CONTRACTS

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise).

Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

5. SUSPENSION OR RESTRICTION OF TRADING AND PRICING RELATIONSHIP

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

6. DEPOSITED CASH AND PROPERTY

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. COMMISSION AND OTHER CHARGES

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8. TRANSACTIONS IN OTHER JURISDICTIONS

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulations which may offer different or diminished investor protection. Before you trade, you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

9. CURRENCY RISKS

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

10. TRADING FACILITIES

Most open-outcry and electronic trading facilities are supported by computerbased component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

11. ELECTRONIC TRADING

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Your ability to recover certain losses which are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of your total loss.

12. OFF-EXCHANGE TRANSACTIONS

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks.

Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules.