

**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. The Client agrees to pay to the Broker all fees and commissions applicable to options trading, including any fees that could be charged as a commission, when the Broker acts as market maker or principal for the purchase or sale of options. The Client acknowledges having read and understood the Derivatives Risk Disclosure Statement.

**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, reporting requirements and all other requirements determined at the option of the Broker and the competent self-regulatory agencies concerned. The Broker reserves the right to modify trading and transactions limits or any other restrictions at its sole discretion. The Client undertakes to comply with the requirements currently in force that may be subsequently amended at the option of the Broker or relevant regulatory or self-regulatory authorities. If required by applicable laws or upon request, the Broker may be required to provide regulatory authorities with information and/or reports related to position and exercise limits, as well as reporting of derivative positions and transactions.

**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 Client may transmit his instructions regarding Options Trading by phone during our business hours or online via our trading platform at any time. An order may be executed during the regular trading hours 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, 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. The Broker may also act for other clients who are on the other side of a transaction when it deems it appropriate, subject to the rules of the exchange where the transaction takes place.

**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 negligence. The Broker is entitled, but not required, to correct any mistake in filling an order to buy or sell an option by filling the order at the market price that was in effect when the order should have been filled.

**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.

**12. FREE CREDIT BALANCES**

In addition to any other recourse it may have, the Broker is authorized to use the credit balances available in the Client's account, in whole or in part, in the course of its activities and within the limits prescribed by CIRO and any applicable law, and as set out in the Cash Account Agreement.

If the Client has debit balances in other accounts with the Broker, the Broker may use the credit balances available in the Client's account to offset these debits.

**13. WARRANTY**

In order to secure the repayment or all amounts that the Client may owe to the Broker, the Client hereby grants to the Broker a security interest or, in the province of Quebec, a movable hypothec, on all assets, including securities and credit balances held or deposited in the Client's account(s) with the Broker (the "Secured Property"), now and at all times in the future. With respect to the Secured Property subject to the legislation in force in the province of Quebec, since the Quebec Civil Code requires that the amount of the movable hypothec be stated, the hypothec is set at \$100,000,000. For these purposes, the Client hereby grants to the Broker control over the Secured Property. This amount does not represent the amount of the Client's obligation to the Broker or the amount of any credit made available to the Client by the Broker. The hypothec therefore has no tangible impact on the Client, unless the Client owes the Broker, at any time, amounts, for any reason whatsoever.

The Broker may hold the Secured Property at any location it sees fit through a third party of its choice, and may provide this Agreement to any third party to prove that it has control over the Secured Property.

In the event that the Client owes any amount, the Broker may use the Secured Property, in whole or in part, without notice and without having to obtain the Client's prior permission, in the course of carrying out its activities, including:

- by pledging, mortgaging or otherwise using them as security for any of the Client's debts;
- by using them for sale, repurchase or any other similar transaction, without notice and without having to respect a grace period or any other specific time limit;

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- by lending some or all of it in the course of the day-to-day management of its business, including transferring the Secured Property for any of the Client's accounts to any other account the Client holds with the Broker.

The Broker may also use any financial assets held in or credited to the Client's account for the purpose of delivering them against a sale, whether such sale is made for the Client's account, for another client or for any account in which the Broker may have a direct or indirect interest.

#### **14. MARGIN**

Options may be traded on margin. Margin transactions are subject, at all times, to the initial margin and maintenance margin requirements (the "Margin Requirements") established by the Broker, CIRO, or the applicable exchange, whichever is greater.

The Client shall monitor its account so that the account shall contain a sufficient account balance to meet the applicable Margin Requirements, at all times. The Client agrees to pay interest on any credit extended to or maintained for it by the Broker. The Broker may modify such Margin Requirements for any account holder for open and new positions, at any time, at the Broker's sole discretion.

The Broker may, at its discretion and without prior notice to the Client, call for margin whenever the Broker deems it necessary or advisable for its protection and the Client shall immediately deposit additional funds into or close positions in its account to restore margin on deposit to initial margin levels.

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## DERIVATIVES RISK DISCLOSURE STATEMENT

This risk disclosure statement does not disclose all of the risks and other significant considerations associated with trading in derivatives. In light of the variety of risks involved, you should undertake such transactions only if you understand the nature of the contracts, the contractual relationships into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for everyone and often entails a high level of risk. Trading in derivatives should be made with caution and you should carefully consider whether such transactions are appropriate for you in light of your personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, and other relevant circumstances. You should consult with your own business, legal, tax and account advisers before engaging into such transactions.

### You may lose more than the amount of funds deposited

A characteristic of many derivatives is that you are only required to deposit funds that correspond to a portion of your total potential obligations and yet your profits or losses are based on changes in the total value of the derivative. This inherent leverage characteristic means that losses incurred can greatly exceed the amount of funds deposited. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. Your dealer may require you to deposit additional funds on short notice to maintain your positions as the value of the derivative changes. If you fail to deposit these funds, your dealer may close out your position at a loss, without warning and you will be liable for any resulting deficit in your account.

### Using borrowed funds carries greater risk

Using borrowed funds to finance a derivatives transaction involves greater risk than using cash resources only. If you borrow money, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the derivative declines.

### Deposited cash and property

You should familiarize yourself with the protections accorded to 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.

### Commission and other charges

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

### Fluctuations in price or value

The price and value of derivatives can be adversely affected by volatile market conditions and such occurrences may significantly increase your risk exposure. There are a variety of market factors and conditions which can directly or indirectly affect derivatives such as market demand and supply, interest rate, foreign currency exchange rate, indices, commodity prices, equity prices, investor perception and other political or economic factors. Since derivatives are linked to one or multiple underlying interests, the price or value of the derivatives may also be subject to considerable fluctuations due to the risks associated with the underlying interest. The level of sensitivity of an underlying interest with specific market conditions can have wide implications on the value of derivatives linked to that underlying interest. For example, when two or more factors are affecting one or more underlying interests of a derivative, its value may become unpredictable. A small movement in the price of one underlying interest can cause a sudden and large fluctuation in a derivative's value.

### Hedging and risk management strategies

Hedging transactions may require constant monitoring. A failure to adjust your hedging transaction in light of changing market conditions may result in the position becoming either under-hedged or over-hedged and losses can ensue.

The placing of certain orders (e.g. "stop-loss" 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.

### Listed derivatives

Under certain market conditions, you may find it difficult or impossible to liquidate or offset an existing position on a marketplace (e.g. buy-to-close or sell-to-close order). This can occur, for example, when the market reaches a daily price fluctuation limit ("daily price limit" or "circuit breakers").

You should ask your dealer about the terms and conditions of the specific derivatives which you are trading and associated obligations. Under certain circumstances the specifications of outstanding contracts may be modified by the marketplace or clearing house to reflect changes in the underlying interest.

### Over-the-counter derivatives

Over-the-counter derivatives (OTC derivatives) trading is not done on a marketplace. Your dealer is your trading counterparty. When you sell, your dealer is the buyer and when you buy, your dealer is the seller. As a result, when you lose money trading, your dealer may be making money on such trades, in addition to any fees, commissions, or spreads it may charge.

An electronic trading platform for trading OTC derivatives such as contracts for difference and foreign exchange contracts is not a marketplace. It is an electronic connection for accessing your dealer. You are accessing that trading platform only to transact with your dealer. You are not trading with any other entities or clients of the dealer by accessing such platform. The availability and operation of any such platform, including the consequences of the unavailability of the trading platform for any reason, is governed only by the terms of your account agreement with the dealer.

You are limited to your dealer to offset or liquidate any trading positions since the transactions are not made on a marketplace. As such, it may be difficult or impossible to liquidate an existing position. The customized nature of certain OTC derivatives may also add to illiquidity.

The terms of OTC derivative contracts are generally not standardized, and the prices and characteristics are often individually negotiated with your dealer. A central source to obtain or compare prices may not exist. It may be difficult to assess the value, to determine a fair price or to assess the exposure to risk. You should ask your dealer about the terms and conditions of the OTC derivative contracts you are trading and understand the related rights and obligations.