

# R.J.O'Brien & Associates Canada Inc.

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## JOINT FUTURES ACCOUNT APPLICATION

MEMBER OF:

**CIPF**  
Canadian Investor Protection Fund  
MEMBER

**IIROC** **OCRCVM**  
Investment Industry Regulatory Organization  
of Canada  
Organisme canadien de  
réglementation du commerce  
des valeurs mobilières

\* Customer Accounts are protected by the Canadian Investor Protection Fund within specified limits.  
A brochure describing the nature of the coverage is available upon request.



**SECTION 2. GENERAL INFORMATION CLIENT 2**

Client Name:

Last Name	First Name	Middle Name

Social Insurance Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Citizenship: \_\_\_\_\_

Do you have a spouse?  Yes  No Spouse's Name: \_\_\_\_\_ No. of Dependents: \_\_\_\_\_

Residence Address:

Street	City/Town	Province/State	Postal Code/Zip Code	Country

Send Account Statements to :  Same  Address Below  Email Address (Refer to Section 8)

For mailed statements, refer to "Fee Schedule" attached as charges apply.

Street	City/Town	Province/State	Postal Code/Zip Code	Country

Residence Telephone: (\_\_\_\_\_) \_\_\_\_\_ Cell Phone Number: (\_\_\_\_\_) \_\_\_\_\_

Business Telephone: (\_\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

Employment Information: Please complete the information below. If you have been with your current employer for less than two years please complete the information for your previous employer as well.

Name of Employer	Address	Position	Years of Employment

Spouse's Position: \_\_\_\_\_ Spouse's Employer: \_\_\_\_\_

Politically Exposed Foreign Persons: I certify that:

 I am  I am not

a Politically Exposed Foreign Person (PEP) as defined below.

PEP is defined as a person who holds or has held offices or positions in or on behalf of a foreign state:

- |  |  |
|--|--|
| (a) Head of state or head of government;<br>(b) Member of the executive council of government or member of a legislature;<br>(c) Deputy minister or equivalent rank;<br>(d) Ambassador or attaché or counsellor of an ambassador;<br>(e) Military officer with a rank of general or above. | (f) President of a state-owned company or a state-owned bank;<br>(g) Head of government agency;<br>(h) Judge;<br>(i) Leader or president of a political party represented in a legislature; or<br>(j) Holder of any prescribed office or position. |
|--|--|

as well as the spouse, common-law partner, child, mother, father, brother, sister, spouse's or common-law partner's mother or father of any such person.

If Yes, please indicate why: \_\_\_\_\_

**SECTION 3. FINANCIAL INFORMATION**

Please complete the Financial Information for Client 1. If Client 1 and 2 are spouses, please indicate the Combined Net Worth, the Combined Liquid Net Worth and the Combined Balance Sheet; then disregard the Financial Information for Client 2.

Annual Income \$ \_\_\_\_\_ Spouse's Annual Income \$ \_\_\_\_\_

Net Worth \$ \_\_\_\_\_ Liquid Net Worth \$ \_\_\_\_\_

Approximate Risk Capital Available for Futures Trading \$ \_\_\_\_\_ USD  
(Risk capital refers to the amount you are willing to risk trading.)

**ASSETS**

Residence \$ \_\_\_\_\_  
 Cash \$ \_\_\_\_\_  
 Gov't Securities \$ \_\_\_\_\_  
 Term Deposits \$ \_\_\_\_\_  
 RRSP's \$ \_\_\_\_\_  
 Automobile \$ \_\_\_\_\_  
 Listed Securities  
 (Market Value) \$ \_\_\_\_\_

**LIST OF OTHER ASSETS**

\_\_\_\_\_  
 \_\_\_\_\_

**TOTAL ASSETS** \$ \_\_\_\_\_

**LIABILITIES**

Mortgage \$ \_\_\_\_\_  
 Credit Cards \$ \_\_\_\_\_  
 Other Loans, Specify: \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

**LIST OF OTHER LIABILITIES**

\_\_\_\_\_  
 \_\_\_\_\_

**TOTAL LIABILITIES** \$ \_\_\_\_\_

**PLEASE COMPLETE THE FINANCIAL INFORMATION FOR CLIENT 2.**

Annual Income \$ \_\_\_\_\_ Spouse's Annual Income \$ \_\_\_\_\_

Net Worth \$ \_\_\_\_\_ Liquid Net Worth \$ \_\_\_\_\_

Approximate Risk Capital Available for Futures Trading \$ \_\_\_\_\_ USD  
 (Risk capital refers to the amount you are willing to risk trading.)

**ASSETS**

Residence \$ \_\_\_\_\_  
 Cash \$ \_\_\_\_\_  
 Gov't Securities \$ \_\_\_\_\_  
 Term Deposits \$ \_\_\_\_\_  
 RRSP's \$ \_\_\_\_\_  
 Automobile \$ \_\_\_\_\_  
 Listed Securities  
 (Market Value) \$ \_\_\_\_\_

**LIST OF OTHER ASSETS**

\_\_\_\_\_  
 \_\_\_\_\_

**TOTAL ASSETS** \$ \_\_\_\_\_

**LIABILITIES**

Mortgage \$ \_\_\_\_\_  
 Credit Cards \$ \_\_\_\_\_  
 Other Loans, Specify: \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

**LIST OF OTHER LIABILITIES**

\_\_\_\_\_  
 \_\_\_\_\_

**TOTAL LIABILITIES** \$ \_\_\_\_\_

**SECTION 4. BANKING INFORMATION**

Please complete the Banking Information for Client 1. If Client 1 and 2 are spouses and the banking information is the same for both clients it is not necessary to complete the banking information for Client 2.

**Bank Name:** \_\_\_\_\_

**Bank Address:** \_\_\_\_\_

\_\_\_\_\_  
 City/Town Province/State Postal Code/Zip Code Country

**Contact Name:** \_\_\_\_\_ Telephone Number: \_\_\_\_\_

**Account Details:**

Chequing  Savings  Other Specify Account Number: \_\_\_\_\_

Chequing  Savings  Other Specify Account Number: \_\_\_\_\_

**PLEASE COMPLETE THE FINANCIAL INFORMATION FOR CLIENT 2.**

**Bank Name:** \_\_\_\_\_

**Bank Address:** \_\_\_\_\_

\_\_\_\_\_  
City/Town Province/State Postal Code/Zip Code Country

**Contact Name:** \_\_\_\_\_ Telephone Number: \_\_\_\_\_

**Account Details:**

Chequing  Savings  Other Specify Account Number: \_\_\_\_\_

Chequing  Savings  Other Specify Account Number: \_\_\_\_\_

**SECTION 5. FUTURES TRADING INFORMATION**

5.1 Have you ever previously traded futures or options on futures?  Yes  No If yes, please complete the following:

Firm Name	No. of Years Traded	Account Status	Type of Account
_____	_____	<input type="checkbox"/> Open <input type="checkbox"/> Closed	<input type="checkbox"/> Futures <input type="checkbox"/> Options
_____	_____	<input type="checkbox"/> Open <input type="checkbox"/> Closed	<input type="checkbox"/> Futures <input type="checkbox"/> Options

5.2 Have you previously traded securities, options, rights/warrants or short sales?  Yes  No If yes, please complete the following:

Firm Name	No. of Years Traded	Account Status	Type of Account
_____	_____	<input type="checkbox"/> Open <input type="checkbox"/> Closed	<input type="checkbox"/> Securities <input type="checkbox"/> Options <input type="checkbox"/> Rights/Warrants <input type="checkbox"/> Short Sales
_____	_____	<input type="checkbox"/> Open <input type="checkbox"/> Closed	<input type="checkbox"/> Securities <input type="checkbox"/> Options <input type="checkbox"/> Rights/Warrants <input type="checkbox"/> Short Sales

5.3 Does any person, other than you control, manage, direct, or have any financial interest in the trading in this account?  
 Yes  No If yes, please specify the person's name below and complete the **Discretionary 3<sup>rd</sup> Party Form:**

\_\_\_\_\_

5.4 If yes, is such person registered as a Commodity Trading Advisor or portfolio manager with the Commodity Futures Trading Commission, or other regulatory body?  Yes  No

5.5 Do you have a financial interest in any other commodity trading account at RJ O'Brien?  Yes  No

If yes, please indicate the following: Account Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

5.6 Are you an "Affiliated Person" of a Futures Commission Merchant?  Yes  No

(The CFTC definition of an "Affiliated Person" is - "Any general partner, officer, director, owner of more than ten percent of the equity interest, correspondent agent or person associated therewith, and any relative or spouse of any either foregoing persons, or any relative of such spouse, who shares the same home as any of the foregoing persons.")

5.7 Are you or your employer registered with the Commodity Futures Trading Commission or other regulatory body as a Futures Commission Merchant, Commodity Pool Operator, Trading Advisor or Associated Person?  Yes  No

You \_\_\_\_\_ (Specify)  Employer \_\_\_\_\_ (Specify)

5.8 Does the account executive have a direct or indirect interest in the account other than an interest in the commission charged?

Yes  No If yes, specify the nature of the interest: \_\_\_\_\_  
(An indirect interest would include an interest by way of a spouse or any immediate family of the account executive sharing the same house as the account executive)

5.9 Are you, or are you related to anyone who is employed by a futures commission merchant, stockbroker, or investment dealer?  Yes  No

If yes, please specify: \_\_\_\_\_

**SECTION 6. TYPES OF TRANSACTIONS**

What is the purpose of the account?  Speculative  Hedge (Attach Separate Hedge Agreement)

Currency:  Canadian  U.S.  Other (Please Specify) \_\_\_\_\_

Options:  Calls  Buy  Sell  
 Puts  Buy  Sell

Strategies:  Spreads  Straddles

Other (Please Specify) : \_\_\_\_\_

**SECTION 7. JOINT ACCOUNT SUPPLEMENTAL INFORMATION**

Select type of joint account:

**Joint tenants with right of survivorship:**  
It is the express intention of the undersigned to create an account as joint tenants with right of survivorship and not as tenants-in-common in the account(s) hereunder. In the event of death of any of the undersigned, the entire interest in the joint account(s) shall be vested in the survivor(s) name on the same terms and conditions as therefore held, without in any manner releasing the decedent's estate from the liability provided herein.

**Tenants-in-common:**  
The account(s) hereunder of the undersigned are held by them as tenants-in-common. In the event of the death of any of the undersigned, the interest in the account shall vest in the undersigned in accordance with the instrument creating the co-tenancy or in the absence thereof, in equal undivided shares to each of the undersigned, without in any manner releasing the decedent's estate from the liability provided herein.

**If neither box is checked, RJO Canada will presume that it is the express intention of the undersigned to create an account as joint tenants with right of survivorship.**

Name of Trading Account: \_\_\_\_\_

Name: \_\_\_\_\_ Percentage Owned: \_\_\_\_\_

Name: \_\_\_\_\_ Percentage Owned: \_\_\_\_\_

**SECTION 8. CONSENT FOR DELIVERY OF STATEMENTS**

The undersigned Customer ("Customer") requests that you provide confirmation statements of activity solely by electronic transmission to the E-mail address indicated below. Please do not mail hard copies of such statements.

Customer warrants and represents that the below referenced E-mail will promptly print out the relevant Customer statements in the form you transmit. Customer understands that there is a risk of failure of any electronic transmission, and will not hold you liable directly or indirectly for such failure. If Customer fails to receive any confirmation statement that reflects activity of which Customer is aware in the account, Customer will contact an RJO customer service representative by 8:00 a.m (CST) on the business day following the day of any such activity.

This consent shall be effective until revoked by Customer in writing, signed by the undersigned and delivered to R.J. O'Brien & Associates Canada Inc. at Suite 1103, 220 Portage Ave, Winnipeg, MB R3C 0A5. In addition, Customer acknowledges that for its protection and the protection of RJO Canada, any request to change the E-mail address listed below must be in writing and must bear the signature of the undersigned. In the event such a request is received from a legal entity, such as a corporation, LLC or partnership, the request must be accompanied by appropriate documentation establishing that the person signing the request possesses the requisite authority to bind the entity. By signing below, Customer represents that the delivery and execution of this consent has been duly authorized.

Customer Email (Please print) Signature (Client 1) Date

Customer Email (Please print) Signature (Client 2) Date

**SECTION 9. SIGNATURE AUTHENTICATION CLIENT 1**

This section must be completed by an RJO Canada representative.

Pursuant to the implementation by the Federal Government of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* R.J. O'Brien & Associates Canada Inc. ("RJO Canada") is required to verify the identity of any person(s) involved with an account. This includes any individual authorized to give instructions in respect of an account held with RJO Canada, including persons authorized under a third party trading authorization and any beneficial owner of more than 10% of a corporation, directly or indirectly, or other similar entity.

Please complete one Identity Verification Form per individual.

Person Being Identified: \_\_\_\_\_  
First Name Last Name

**A. For Canadian Residents Met by an RJO Canada Representative:**

I have met the person named above and attest that I have seen the original document indicated here and have verified the person's signature on the account opening form against it. A photocopy of the document is attached.

Type of Identification:  Passport  Driver's License  Provincial Health Card (If permitted by law)

ID Number: \_\_\_\_\_ Expiry Date \_\_\_\_\_ Place of Issuance: \_\_\_\_\_

\_\_\_\_\_  
Signature of RJO Canada Representative

**B. For Canadian Residents Not Met by an RJO Canada Representative:**

If a person's identity is not verified in the presence of an RJO Canada representative, RJO Canada must identify the person using a combination of **two** of the following methods. Please note that items 1 and 2 cannot be used together.

Please indicate the two methods being used:

- 1.  **Cleared Cheque Method**  
Attached is a cheque for at least \$1.00 from the person's deposit account at a Canadian financial institution. The cheque will be cashed and must clear.
- 2.  **Confirmation of Deposit Account Method**  
The account will be funded with a bank draft or wire transfer from the client's deposit account at a Canadian financial institution. The draft must be accompanied by a bank letter confirming the source of the funds and the wire transfer must also identify the source of the funds.
- 3.  **Identification Product Method**  
The client's identification will be verified through an existing Identification Product Method such as Equifax ID compare.
- 4.  **Attestation Method**  
Attached is a legible photocopy of one of the documents used for in-person identification with an attestation affixed from a Commissioner of Oaths in Canada, or a Guarantor. This must include the name, profession and address of Commissioner or Guarantor, their signature, and type and number of identification document.

**C. For non-Canadian Resident Persons:**

Person's identification must be verified by an agent hired by RJO Canada in the foreign location.

**SECTION 10. SIGNATURE AUTHENTICATION CLIENT 2**

This section must be completed by an RJO Canada representative.

Pursuant to the implementation by the Federal Government of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* R.J. O'Brien & Associates Canada Inc. ("RJO Canada") is required to verify the identity of any person(s) involved with an account. This includes any individual authorized to give instructions in respect of an account held with RJO Canada, including persons authorized under a third party trading authorization and any beneficial owner of more than 10% of a corporation, directly or indirectly, or other similar entity.

Please complete one Identity Verification Form per individual.

Person Being Identified: \_\_\_\_\_  
First Name Last Name

**A. For Canadian Residents Met by an RJO Canada Representative:**

I have met the person named above and attest that I have seen the original document indicated here and have verified the person's signature on the account opening form against it. A photocopy of the document is attached.

Type of Identification:  Passport  Driver's License  Provincial Health Card (If permitted by law)

ID Number: \_\_\_\_\_ Expiry Date \_\_\_\_\_ Place of Issuance: \_\_\_\_\_

\_\_\_\_\_  
Signature of RJO Canada Representative

**B. For Canadian Residents Not Met by an RJO Canada Representative:**

If a person's identity is not verified in the presence of an RJO Canada representative, RJO Canada must identify the person using a combination of **two** of the following methods. Please note that items 1 and 2 cannot be used together. Please indicate the two methods being used:

- 1.  **Cleared Cheque Method**  
Attached is a cheque for at least \$1.00 from the person's deposit account at a Canadian financial institution. The cheque will be cashed and must clear.
- 2.  **Confirmation of Deposit Account Method**  
The account will be funded with a bank draft or wire transfer from the client's deposit account at a Canadian financial institution. The draft must be accompanied by a bank letter confirming the source of the funds and the wire transfer must also identify the source of the funds.
- 3.  **Identification Product Method**  
The client's identification will be verified through an existing Identification Product Method such as Equifax ID compare.
- 4.  **Attestation Method**  
Attached is a legible photocopy of one of the documents used for in-person identification with an attestation affixed from a Commissioner of Oaths in Canada, or a Guarantor. This must include the name, profession and address of Commissioner or Guarantor, their signature, and type and number of identification document.

**C. For non-Canadian Resident Persons:**

Person's identification must be verified by an agent hired by RJO Canada in the foreign location.

**SECTION 11. PRINCIPAL/AGENT DISCLOSURE**

Your investment adviser may be an employee or an agent of R.J. O'Brien & Associates Canada Inc. ("RJO Canada"). In either case, RJO Canada will be irrevocably liable to you, and will continue to be liable to you for the acts and omissions of your investment adviser relating to RJO Canada's business as if the investment adviser were an employee of RJO Canada. By continuing to deal with our firm you accept our offer of indemnity.

RJO Canada is only responsible for the business activity conducted by any agent or employee in which the securities related business is conducted on the books and records of R.J. O'Brien & Associates Canada Inc. Any other business activity or securities related business conducted under any other legal entity, trade name, or otherwise, is not the responsibility of R.J. O'Brien & Associates Canada Inc., but is rather the responsibility of the Agent alone.

**SECTION 12. TERMS AND POLICIES**

By signing below, I hereby certify that:

I have received, read, understood and agree to everything contained within the agreements attached to this application and listed below.

- Joint Client Agreement
- Risk Disclosure Statement
- Summary Disclosure Statement With Respect To Exchange-Traded Commodity Futures Options
- Privacy Agreement RJO Canada
- Principal/Agent Disclosure

RJO Canada may verify the information contained in this application.

All information contained within this Application is correct, accurate and complete in all respects and I will promptly notify RJO Canada in writing of any material changes.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**FOR OFFICE USE ONLY**

**TO BE COMPLETED BY ACCOUNT EXECUTIVE**

How was Account introduced?

- Advertising Leads                       Customer Referral                       A.E. Solicitation
- Unsolicited Walk-in/Phone-in               Personal Acquaintance

How Long Have You Known Customer?              Does A.E. Have any Direct or Indirect Financial interest in Account?  
 Yes     No

Any Related Accounts? \_\_\_\_\_

Initial Deposit: \_\_\_\_\_ Initial Transaction: \_\_\_\_\_

Commissions (must be entered as round turn):

<u>US \$</u>	<i>Futures</i>	<i>Options</i>	<u>CDN \$</u>	<i>Futures</i>	<i>Options</i>
Day: _____	_____	_____	Day: _____	_____	_____
Overnight: _____	_____	_____	Overnight: _____	_____	_____
Spread: _____	_____	_____	Spread: _____	_____	_____
Are Options to be charged up front? <input type="checkbox"/> Yes <input type="checkbox"/> No					

Other Comments? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Account Executive \_\_\_\_\_ Date \_\_\_\_\_

**TO BE COMPLETED BY DRFP/DRFOP/COMMODITY SUPERVISOR**

Credit Bureau Report (if applicable) \_\_\_\_\_  
\_\_\_\_\_

Any Account Restrictions? \_\_\_\_\_  
\_\_\_\_\_

Is the AE registered in the province where the client resides?     Yes     No

Risk Capital Assigned    \$ \_\_\_\_\_ U.S.

Other Comments? \_\_\_\_\_  
\_\_\_\_\_

**AGREEMENT ACCEPTED AND APPROVED**

Commodity Supervisor \_\_\_\_\_ Date \_\_\_\_\_

DRFP/DRFOP \_\_\_\_\_ Date \_\_\_\_\_

## JOINT CLIENT AGREEMENT

The parties hereto confirm that it is their wish that this Agreement, as well as all other documents relating hereto, including notices, have been and shall be drawn up in English only. Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tout avis, s'y rattachant soient rédigés en anglais seulement.

In consideration of R.J. O'Brien & Associates Canada Inc. ("RJO Canada") carrying one or more accounts for the undersigned ("the Customer") as its broker for the purchase and sale of commodities, commodity futures contracts and options thereon (collectively, "futures contracts") on various commodity exchanges, the Customer hereby agrees, represents and consents as follows:

### AUTHORIZATION

1. The Customer authorizes RJO Canada to purchase and sell futures contracts for the Customer's accounts in accordance with the Customer's oral or written instructions. The Customer waives any defense that any such instructions were not in writing and recognizes that RJO Canada reserves the right to reject any order.

### GOVERNMENTAL AND EXCHANGE RULES

2. All transactions shall be subject to the constitution, bylaws, rules, regulations, customs, usages, rulings and interpretations of the exchange, board of trade, contract market or other market (and its clearing house, if any) where executed and to all applicable governmental laws and regulations. If any statute shall hereafter be enacted or any rule or regulation shall hereafter be adopted by any governmental authority, exchange, board of trade, clearing house, or self regulatory organization which shall be binding upon RJO Canada and shall affect in any manner or be inconsistent with any of the provisions hereof, the affected provisions of this agreement shall be deemed modified or suspended, as the case may be, by the applicable provisions of such statute, rule or regulation, and all other provisions of this agreement and provisions so modified shall in all respects continue in full force and effect.

### MARGINS

3. The Customer shall provide to and maintain with RJO Canada margin in such amounts and in such form as RJO Canada, in its sole discretion, may from time to time determine. Such margin requirements established by RJO Canada may exceed the margin required of RJO Canada by an exchange. RJO Canada may change margin requirements in its sole discretion at any time. If RJO Canada determines that additional margin is required, the Customer agrees to deposit with RJO Canada such additional margin when and as requested and demanded by RJO Canada, and will promptly meet all margin calls in such mode of transmission as RJO Canada shall within its discretion designate. Notwithstanding any demand for additional margin, RJO Canada at any time may proceed in accordance with paragraph 5 below, and any failure to proceed shall not be deemed a waiver of any rights by RJO Canada. No previous margin shall establish any precedent. RJO Canada shall not be liable to the Customer for the loss of any margin deposits which is the direct or indirect result of the bankruptcy, insolvency, liquidation, receivership, custodianship, or assignment for the benefit of creditors of any bank, another clearing broker exchange, clearing organization, or similar entity.

### SECURITY AGREEMENT AND TRANSFER AUTHORIZATION

4. All funds, securities, commodities, futures contracts, and other property of the Customer which RJO Canada may at any time be carrying for the Customer (either individually, jointly with others, or as a guarantor of the account of any other person) or which may at any time be in its possession of control or carried on its books for any purpose, including safekeeping, are to be held by RJO Canada as security and subject to a general lien and right of set-off for liabilities of the Customer to RJO Canada whether or not RJO Canada made advances in connection with such securities, commodities, or other property, and irrespective of the number of accounts the Customer may have with RJO Canada. RJO Canada may in its discretion, at any time and from time to time, without notice to the Customer apply and transfer any or all funds or other property of the Customer interchangeably between any of the Customer's accounts at RJO Canada or an affiliate of RJO Canada as may be necessary for margin or to satisfy or reduce any deficit or debit balance in any such account. Within a reasonable time after any such transfer, RJO Canada will confirm the transfer in writing to the Customer. The Customer also hereby grants to RJO Canada the right to carry in its general loans and to pledge, repledge, hypothecate, rehypothecate, invest, or loan, either separately or with the property of other Customer's, to either itself as broker or to others, any securities or other property held by RJO Canada on margin for all accounts of the Customer or as collateral therefore, without notice to the Customer and without any obligation to pay to the Customer, or to account to the Customer for any interest, income, or benefit that may be derived therefrom. The rights of RJO Canada set forth above shall be qualified by applicable requirements for the segregation of the Customer's funds and property.

### LIQUIDATION OF ACCOUNTS

5. In the event of: (a) the filing of a petition in bankruptcy, or a petition for the appointment of a receiver, by or against the Customer; (b) the filing of an attachment against any of the Customer's accounts carried by RJO Canada; (c) insufficient margin, or RJO Canada's determination that any collateral deposited to protect one or more accounts of the Customer is inadequate, regardless of current market quotations, to secure the account, or (d) any other circumstances or developments that RJO Canada deems to require action necessary for its protection, RJO Canada is hereby authorized, according to its judgment and in its discretion, to take one or more, or any portion of, the following actions: (1) satisfy any obligation the Customer may have to RJO Canada, either directly or by way of guaranty of suretyship, out of the Customer's funds or property in its custody or control; (2) sell any or all futures contracts, commodities, or securities held or carried for the Customer or to purchase any or all futures contracts, commodities or securities carried as a short position for the Customer; and (3) cancel any or all outstanding orders or contracts, or any other commitments made on behalf of the Customer. Any of the above actions may be taken without demand for margin or additional margin, without prior notice of sale or purchase or other notification to the Customer, his personal

representatives, heirs, executors, administrators, legatees, or assigns; and regardless of whether the ownership interests shall be solely the Customer's or held jointly with others. In liquidating the Customer's long or short position, RJO Canada in its sole discretion may sell or purchase in the same contract month or initiate new long or short positions in order to establish a spread or straddle which in RJO Canada's judgment may be necessary or advisable to protect existing positions in the Customer's account. Any sales or purchases hereunder may be made according to RJO Canada's judgment and at its discretion on any exchange or other markets where such business is then usually transacted or at public auction or at private sale, and RJO Canada may purchase the whole or any part thereof free from any right of redemption. It is understood that, in all cases, a prior demand, or call, or prior notice of the time and place of a sale or purchase shall not be considered a waiver of RJO Canada's right to sell or buy without demand or notice as herein provided. The Customer shall at all times be liable for the payment of any debit balance of the Customer upon demand by RJO Canada, and in all cases, the Customer shall be liable for any deficiency remaining in the Customer's account(s) in the event of the liquidation thereof in whole or in part by RJO Canada or by the Customer. In the event the proceeds realized pursuant to this authorization are insufficient for the payment of all the liabilities of the Customer due to RJO Canada, the Customer shall promptly pay, upon demand, the deficit and all unpaid liabilities, together with interest thereon and all costs of collection including reasonable attorney's fees. In the event RJO Canada incurs expenses, including legal fees, with respect to any account of the Customer, the Customer agrees to be liable thereof.

#### **DELIVERY MONTH LIQUIDATION INSTRUCTIONS**

6. (a) Liquidating instructions on open positions maturing in a current delivery month must be given to RJO Canada at least five (5) business days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) business days prior to the last trading day. Alternatively, sufficient funds to take delivery or the necessary delivery documents must be delivered to RJO Canada within the same periods described above. If neither instructions, funds, nor documents are received, RJO Canada without notice, may either liquidate the Customer's position or make or receive delivery on behalf of the Customer upon such terms and by such methods that RJO Canada deems feasible.

(b) If at any time the Customer fails to deliver to RJO Canada any property sold by RJO Canada on the Customer's behalf or fails to deliver property, securities or financial instruments in compliance with futures contracts, or if RJO Canada shall deem it necessary (whether by reason of the requirements of any exchange, clearing house or otherwise) to replace any securities, futures contracts, financial instruments, or other property previously delivered by RJO Canada for the account of the Customer with other property of like or equivalent kind or amount, the Customer authorizes RJO Canada in its judgment to borrow or to buy any property necessary to make delivery thereof or to replace any such property previously delivered and to deliver the same to such other party to whom delivery is to be made. RJO Canada may repay subsequently any borrowing thereof with property purchased or otherwise acquired for the account of the Customer. The Customer shall pay RJO Canada for any cost, loss, and damage from the foregoing (including consequential damages, penalties and fines) which RJO Canada may be required to incur or which RJO Canada may sustain from its inability to borrow or buy any such property.

#### **CHARGES**

7. The Customer agrees to pay such brokerage and commission charges as RJO Canada may from time to time charge and RJO Canada may change its commissions as it sees fit. The Customer agrees to be liable to RJO Canada for interest on amounts due from the Customer to RJO Canada at the rates customarily charged by RJO Canada.

#### **STATEMENTS AND CONFIRMATIONS**

8. Reports of the confirmation of orders and statements of the account(s) of the Customer shall be deemed correct and shall be conclusive and binding upon the Customer if not objected to in writing within five (5) days after transmittal to the Customer by mail or within two (2) days after transmittal via E-mail. Such written objection on the Customer's part shall be directed to RJO Canada's Chief Compliance Officer in Winnipeg, Manitoba and shall be deemed received only if actually delivered or mailed by registered mail, return receipt requested. Failure to so object shall be deemed ratification of all actions taken by RJO Canada or RJO Canada's agents prior to said reports being furnished to the Customer.

#### **COMMUNICATIONS**

9. Reports, statements, notices and any other communications may be transmitted to the Customer at the address given in the Account Application, or to such other address as the Customer may from time to time designate in writing to RJO Canada. All communications so sent, whether by mail, email, messenger or otherwise, shall be deemed sent or served, as the case may be, when deposited in the mail, transmitted by email or delivered to the Customer's address. RJO Canada will not be responsible for delays in the transmission or execution of orders due to a breakdown or failure of transmission or communication facilities, or for any other cause beyond RJO Canada's control.

#### **CURRENCY FLUCTUATION RISK**

10. If the Customer directs RJO Canada to enter into any futures contract and such transaction is to be effected in a foreign currency: (a) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the Customer's account and risk; (b) all initial and subsequent deposits for margin purposes shall be made in U.S. dollars, in such amounts as RJO Canada may in its sole discretion require; and (c) RJO Canada is authorized to convert funds in the Customer's account into and from such foreign currency at a rate of exchange determined by RJO Canada in its sole discretion on the basis of then prevailing exchange rates.

#### **RISK ACKNOWLEDGEMENT**

11. The Customer acknowledges that investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume risk of loss in excess of their margin deposits. The Customer understands that because

of the low margin normally required in futures trading, price changes in futures contracts may result in significant losses, which losses may substantially exceed the Customer's investment and margin deposits. The Customer represents that he is willing and able financially and otherwise, to assume the risks of futures trading and in consideration of RJO Canada's carrying his account(s), the Customer agrees not to hold RJO Canada responsible for losses incurred through following RJO Canada's trading recommendations or suggestions or those of its employees, agents or representatives. The Customer recognizes that guarantees of profit or freedom from loss are impossible in the performance of futures trading, acknowledges that he has received no such guarantees from RJO Canada or from any of RJO Canada's representatives, and has not entered into this agreement in consideration of or reliance upon any such guarantees or similar representations. (The Customer also acknowledges that he has received, read, and understands the separate risk disclosure statement relating to the risks in trading futures contracts, and the separate options disclosure statement.)

#### **TRADING RECOMMENDATIONS**

12. The Customer acknowledges that (a) market recommendations and information communicated to the Customer by RJO Canada do not constitute an offer to sell or the solicitation of an offer to buy any commodity or futures contract; (b) such recommendations and information, although based upon information obtained from sources believed by RJO Canada to be reliable, may be incomplete and may not be verified, and (c) RJO Canada makes no representation, warranty or guaranty as to, and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to the Customer. The Customer understands that RJO Canada or any of its officers, directors, affiliates or representatives may have a position in and may intend to buy or sell commodities or futures contracts which are the subject of market recommendations furnished to the Customer, and that the market position of RJO Canada or any such officer, director, affiliate or representative may or may not be consistent with the recommendations furnished to the Customer by RJO Canada. RJO Canada makes no representation, warranty, or guaranty with respect to tax consequences of the Customer's transactions.

#### **CUSTOMER REPRESENTATIONS**

13. The Customer represents that the information contained in the Account Application is true, correct, and not misleading in any respect, and agrees that it will promptly notify RJO Canada in writing if any of the information contained therein materially changes or ceases to be true and correct in any material respect. The Customer further represents that, except as disclosed in writing to RJO Canada, no one except the Customer has an interest in any accounts carried for the Customer by RJO Canada. The Customer is duly organized and in good standing under the laws of the jurisdiction in which it was formed, with full power and authority to enter into this agreement and to engage in transactions in futures contracts of the kind contemplated herein, and is not prohibited from doing so by any contract, agreement or otherwise.

#### **TRADING LIMITATIONS**

14. The Customer acknowledges RJO Canada's right to limit the number of open positions which the Customer may maintain or acquire through RJO Canada at any time, and the Customer agrees not to exceed the position limits set by any governmental authority or exchange, whether acting alone or with others. If required to file reports on positions with any governmental authority or exchange, the Customer will promptly inform RJO Canada. The Customer acknowledges the right of RJO Canada, if so required, to provide any governmental authority, exchange or clearing Customer with information or reports related to reporting and position limits whether of commodities, commodity futures contracts or options thereon. The Customer agrees not to exceed the position limits established by the CFTC or any contract market, whether acting alone or with others, and to promptly advise RJO Canada if the Customer is required to file any reports on positions.

#### **OPTIONS TRADING**

15. (a) The Customer understands that some exchanges and clearing houses have established cut-off times for the tender of exercise instructions and that an option will become worthless if instructions are not delivered before such expiration time. The Customer also understands that certain exchanges and clearing houses automatically will exercise some "in-the-money" options unless instructed otherwise. The Customer acknowledges full responsibility for taking action either to exercise or to prevent the exercise of an option contract, as the case may be. RJO Canada is not required to take any action with respect to an option contract, including without limitation any action to exercise a valuable option prior to its expiration date or to prevent the automatic exercise of an option, except upon the Customer's express instructions. The Customer further understands that RJO Canada has established exercise cut-off times which may be different from the times established by exchanges and clearing houses.

(b) The Customer understands (i) all short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned; and (ii) exercise assignment notices are allocated first in, first out from among all R.J. O'Brien & Associates Canada Inc. Customer's short options positions which are subject to exercise.

#### **NO WAIVER OR AMENDMENT**

16. No provisions of this agreement may be waived or amended unless the waiver or amendment is in writing and signed by an authorized officer of RJO Canada. No waiver or amendment of this agreement may be implied from any course of dealing between the parties or from any failure by RJO Canada or its agents to assert its rights under this agreement on any occasion or series of occasions. No oral agreements or instructions to the contrary shall be recognized or enforceable.

#### **BINDING EFFECT**

17. This agreement shall be continuous and shall cover, individually and collectively, all accounts of the Customer at any time opened or reopened with RJO Canada, irrespective of any change or changes at any time in the personnel of RJO Canada or its successors, assigns, or affiliates for any cause whatsoever, shall inure to the benefit of RJO Canada and any successors or assigns of RJO Canada, whether by merger, consolidation or otherwise, and shall be binding upon the Customer and the

estate, executors, administrators, legal representatives, successors and assigns of the Customer. The Customer hereby ratifies all transactions with RJO Canada affected prior to the date of this agreement, and agrees that the rights and obligations of the Customer in respect thereto shall be governed by the terms of this agreement, which supersedes all other Customer Agreements between RJO Canada and the Customer.

#### **TERMINATION**

18. This agreement shall continue in effect until terminated and may be terminated by the Customer at any time when the Customer has no open positions and no liabilities held by or owed to RJO Canada upon the actual receipt by RJO Canada at its home office in Winnipeg, Manitoba of written notice of termination, or at any time whatsoever by RJO Canada upon the transmittal or delivery of written notice of termination to the Customer provided however, that any such termination shall not affect any transactions theretofore entered into and shall not relieve either party of any obligations in connection with any debit balance or credit balance or other liability or obligation incurred prior to such termination.

#### **GOVERNING LAW**

19. This agreement and its enforcement shall be governed by the laws of the Province of Manitoba. (No action, regardless of form, arising out of transactions under this agreement may be brought by the Customer more than one year after the cause of action arose.) Wherever possible, each provision of this agreement shall be interpreted in such a manner as to be valid and effective under applicable law, but if any provision of this agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

#### **INDEMNIFICATION**

20. The Customer agrees to indemnify RJO Canada and hold RJO Canada harmless from and against any and all liabilities, losses, damages, costs and expenses, including attorneys' fees, incurred by RJO Canada because any of the Customer's representations and warranties shall not be true and correct or the agreements made herein by the Customer shall not be fully and timely performed. The Customer also agrees to pay promptly to RJO Canada all damages, costs and expenses, including attorneys' fees, incurred by RJO Canada in the enforcement of any of the provisions of this agreement.

#### **RECORDING**

21. The Customer understands that RJO Canada in its sole discretion may record, on tape or otherwise, any telephone conversation between RJO Canada and the Customer. The Customer hereby agrees and consents to such recording and waives any right the Customer may have to object to the admissibility into evidence of such recording in any legal proceeding between the Customer and RJO Canada or in any other proceeding to which RJO Canada is a party or in which RJO Canada's records are requested.

#### **INTRODUCING BROKER**

22. If the Customer's account is carried by RJO Canada only as a clearing broker, the Customer acknowledges that RJO Canada is not responsible for the conduct, representations, and statements of the introducing broker or its associated persons in the handling of the Customer's account. The Customer agrees to waive any claims against RJO Canada, and to indemnify and hold RJO Canada harmless, for any actions or omissions of the introducing broker or its associated persons. RJO Canada is responsible for trade execution, the financing of Customer positions, monitoring suitability, the supervision of all trading activity, settlement, custody of cash and securities, and the preparation of confirmations and monthly statements.

#### **TERMS AND HEADINGS**

23. The term "RJO Canada" shall be deemed to include RJ O'Brien & Associates Canada Inc., its successors and assigns; the terms "Customer" shall be deemed to refer to the party or parties executing this agreement. All pronouns shall be deemed to refer to the feminine or the masculine as the gender of the Customer requires. The paragraph headings in this agreement are inserted for convenience of reference only and are not intended to limit the applicability or affect the meaning of any of its provisions.

#### **ACCEPTANCE**

24. This agreement shall not be deemed to be accepted by RJO Canada or become a binding contract between the Customer and RJO Canada until approved at RJO Canada's office by the Branch Manager, Chief Compliance Officer, or Designated Registered Futures / Futures Options Principal.

#### **ERRORS AND OMISSIONS**

25. In accepting orders, RJO Canada shall have the right to exercise discretion as to which exchange and as to which exchange member clearing firm the orders will be executed through. Nevertheless, RJO Canada shall not be responsible to the Customer for errors, omissions, or acts, of the exchange member clearing firm or floor brokers selected by the exchange member clearing firm. RJO Canada has the right to impose trading limits or to refuse to accept any order at their discretion.

#### **FREE CREDITS**

26. Any monies held by RJO Canada from time to time to the Customer's credit are payable on demand, need not be segregated and may be used by RJO Canada in the ordinary conduct of its business. The Customer acknowledges that the relationship of the Customer and RJO Canada with respect to such monies is one of debtor and creditor only.

### CURRENCY EXCHANGE

27. If the Customer makes a trade involving a futures contract or futures options contract which is denominated in a currency other than the currency of the accounting which the trade is to settle, a conversion of currency may be required. In all such transactions and at any time a conversion of currency is made, we will act as principal with you in converting the currency at rates established or determined by us. We may earn revenue, in addition to the commission applicable to such a trade, based on the difference between the applicable bid and ask rates for the currency and the rate at which the rate is offset either internally, with a related third party or in the market. Conversion of currency, if required, may take place at the trade date unless otherwise agreed.

### CONSENT TO JURISDICTION

28. The parties agree that all disputes, claims, actions or proceedings arising directly, indirectly or otherwise in connection with, out of, related to or from this Customer agreement and any related agreements shall be tried in the courts having jurisdiction in and for the City of Winnipeg, Province of Manitoba and for such purpose hereby irrevocably attorns to the exclusive jurisdiction of such courts.

### CONSENT TO CROSS TRANSACTIONS

29. This consent is being provided in order to comply with exchange rules regarding cross trade procedures and the execution of trades in which a floor broker or brokerage firm may be directly or indirectly involved as a principle to a transaction on any exchange that, from time to time, adopts rules requiring Customer consent for these transactions. The Customer hereby consents that RJO Canada, its agents or floor brokers handling RJO Canada orders may, without prior notice, execute the Customer's orders in which RJO Canada, its directors, officers, employees, agents, or the floor broker, may directly or indirectly, become the buyer to the Customer's sell order or the seller to the Customer's buy order, provided that such executions are made in accordance with exchange rules and any applicable provisions of the Commodity Exchange Act (U.S.), the applicable provincial Commodity Futures Act and related regulations, or CFTC regulations. This consent shall be continuous until revoked in writing by the Customer.

## RISK DISCLOSURE STATEMENT

The parties hereto confirm that it is their wish that this Statement, as well as all other documents relating hereto, including notices, have been and shall be drawn up in English only. Les parties aux présentes confirment leur volonté que cette convention de meme que tous les documents, y compris tout avis, s'y rattachant, soient rédigés en anglais seulement.

For the speculator, futures trading is a high risk activity in which it may not be possible to limit the extent of potential liability. Before you buy or sell a contract you should be certain that you can afford to lose not only the money you put up initially but additional money as well.

The following are among the points that you should consider in studying this statement:

1. **Financial Exposure** — You should fully understand the description of margin arrangements and of how you can be required to put up additional money even after your initial trade. See the section headed "Risk".
2. **Settlement Procedures** — Once you have made a trade, you cannot sit back and treat it as a long-term investment. You must arrange to meet margin calls. Before the end of the contract term you must arrange an offsetting transaction if you want to avoid having to settle by making or taking physical delivery. See the section headed "Settlement of Contracts".
3. **Use of Funds** — Money you deposit with a dealer as margin may earn interest or be used by the firm in its business and you should be aware of the firm's policy as to whether it will pay you interest on this money. Also, if the value of the contract moves in your favour, money will be credited by the clearing house and you should be aware of your dealers policy as to whether it will permit you to withdraw any amounts credited to it when the contract moves in your favour. These policies, discussed under "Interest on Customer's Balance" and "Disbursement of Funds During Life of Contract" can have a significant impact on the economic results of your trading.

**This is not the only part of the material that is important. You should study the material carefully, and ask any questions about it that may occur to you before you enter your first transaction.**

### NATURE OF THE CONTRACTS

When you trade in commodity futures you are contracting to make or take delivery of a specified quantity or quality, grade or size of a commodity during a designated future month at a price agreed upon when the contract is entered into on your behalf on a commodity futures exchange.

### MARGIN

Each commodity futures exchange requires its members to obtain mandatory minimum margin from Customer's for whom the exchange members act. Many commodity futures exchanges set minimum margin requirements on the basis of a two tier system, namely an "initial margin" requirement and a "maintenance" level. "Initial margin" is the original deposit required, the earnest money when the contract is entered into. If the market price moves against the Customer's position causing the margin on deposit to fall to or under a prescribed level called "maintenance" he will be required to furnish "variation margin" or additional funds to restore margin on deposit to initial margin. Other commodity futures exchanges set minimum margin requirements on the basis of a single rate which must be deposited when the contract is entered into and which must be maintained at all times while the contract position remains

open. The minimum initial margin is thus in practice equal to the maintenance level. Under both systems margin is calculated at the end of each day and more frequently during active markets. When variation margin is required it must be furnished immediately.

#### **DAILY PRICE LIMITS**

Commodity futures exchanges also impose maximum daily permissible price changes in each commodity - "daily price limits" - certain amounts above or below the previous day's closing price, beyond which limits, no trades may be effected.

The reason for such limits is to prevent sudden extreme price movements. However, the result can be days elapsing before a trading level is found. The loss to a trader on the wrong side of the market and seeking to offset his contract can be substantial.

#### **SETTLEMENT OF CONTRACTS**

Only a very small proportion of commodity futures contracts are, in fact, settled through actual delivery of a commodity. Instead, they are usually settled by entering an opposite or offsetting contract. To settle a contract in which a certain amount of a particular commodity for a given delivery month was bought, the buyer subsequently contracts to sell a like amount of that commodity for the same delivery month. To settle a contract in which a commodity was sold, the seller buys an equal amount. Any difference between the price at the time the original contract was made and the price at the time the liquidating or offsetting contract is entered into is settled in cash.

#### **RISK**

**The risk of loss in commodity futures trading is substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your financial condition, objectives and temperament. In considering whether to trade, you should be aware of the following:**

1. You may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain a position in the commodity futures market. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the prescribed time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move".
3. Placing contingent orders, such as a "stop-loss" or "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
4. A "spread" position may not be less risky than a simple "long" or "short" position.
5. The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
6. As most transactions are made in foreign currencies the risks you assume include those related to currency fluctuations.
7. In the event of the bankruptcy of a dealer it is probable that you would merely have, as to your claim against funds deposited as margin, the status of an unsecured creditor whether or not such funds were segregated under the Commodity Futures Act. You would then participate in available assets on a PRO RATA basis with other unsecured creditors. This brief statement cannot, of course, disclose all the risks and other significant aspects of the commodity markets. You should therefore carefully study and become familiar with all aspects of commodity futures trading.

#### **MARGIN**

RJO Canada generally requires from its Customer's more margin than the minimum amounts prescribed by a commodity exchange. When variation margin is required from the customer the amount deposited must restore margin on deposit to the original deposit required by the firm or such higher amount directed by the firm. In lieu of cash, margin requirements may be met by the deposit, in denominations of not less than \$100,000, of Treasury Bills issued by the Government of the United States. Since a Treasury Bill is sold at a discount to mature at par, interest will accrue to the bearer.

#### **INTEREST ON CUSTOMER'S BALANCE**

RJO Canada may pay interest on credit balances upon request. Individual Customer's with credit balances of \$100,000 or more may request that such balance be invested in Treasury Bills (in the minimum amount of \$100,000 with incremental purchases in multiples of \$100,000) issued by the Government of the United States. If a purchase is made, the interest thereupon shall accrue to the benefit and profit of such individual customer.

#### **DISBURSEMENT OF FUNDS DURING LIFE OF CONTRACT**

RJO Canada does permit a customer to withdraw equity gains on contracts entered into on his behalf and paid out to RJO Canada while the contract is still open.

#### **COMMISSIONS AND OTHER TRANSACTION COSTS**

RJO Canada normally charges commissions as shown on the Customer Account Application. These charges are effective as at the date of opening your account but may be subject to change in which case details will be furnished to the customer upon request.

# SUMMARY DISCLOSURE STATEMENT WITH RESPECT TO EXCHANGE-TRADED COMMODITY FUTURES OPTIONS

## PART I: INTRODUCTION

This Summary Disclosure Statement describes in general terms the nature, the requirements for, and the risks involved in the purchase or sale of commodity futures options in transactions on a Commodity Futures Exchange, which transactions are cleared through the facilities of the appropriate clearing house.

Generally, a commodity futures option (option) is a contract which gives the holder or purchaser, for a consideration, the right to buy or sell a specific futures contract (the "Underlying Futures Contract") at a stated exercise price and within a specified period of time. The consideration is the premium that is paid for the purchase or sale of an option, and this premium is determined by agreement of the parties or their agents in a transaction on the floor of a commodity futures exchange. The premium is paid by the purchaser ("Holder") and is received by the seller ("Writer") of an option. No portion of the premium is retained by the exchange on which the option transaction is executed or by the clearing house through whose facilities the transaction is cleared. In addition, purchasers and sellers of options pay transaction costs, which may include commissions, fees and other charges that may be incurred in connection with each option transaction.

Before you trade commodity futures options, you should carefully read this statement. This is important because of the particular risks involved.

If you plan to buy a commodity futures option, you should realize that you will pay both a premium and a commission. The premium compensates the seller or writer of the option for the risks he assumes; the commission compensates the dealer who handles the transaction for you. Accordingly, if you are to avoid a loss, the price of the underlying futures contract must—before the end of the option period—rise above or fall below the exercise price, as the case may be, sufficiently to absorb both the premium and the commission. If you plan to sell a commodity futures option, you should realize that you will be obligated to buy or sell the underlying futures contract should the purchaser decide to exercise the option. If you write an option and you do not have a corresponding long or short position in the underlying futures contract, there is no limit to your possible loss, which is determined entirely by the amount of the rise or decline in the price of the underlying futures contract.

No securities commission or similar authority in Canada has in any way passed upon the merits of commodity futures options described herein and any representation to the contrary is an offence.

This is not the only part of this Disclosure Statement that is important. You should study carefully Part II of this Disclosure Statement and ask any questions about it that may not be clear to you before you enter your first transaction.

## PART II: DESCRIPTION OF COMMODITY FUTURES OPTIONS TRADING

### GLOSSARY OF TERMS

#### 1. Commodity Futures Exchange

An association or organization, whether incorporated or otherwise, operated for the purpose of providing the physical facilities necessary for the trading of commodity futures contracts or commodity futures options.

#### 2. Exchange-Traded Commodity Futures Options

The Commodity Futures Options discussed in this Disclosure Statement are Call Options and Put Options ("Calls" and "Puts") which are traded on one or more Commodity Futures Exchanges. Each Exchange-Traded Option is identified by the Underlying Futures Contract, Exercise Price, Expiration Date and whether the option is a Call or a Put.

- a. **Call Option** - A contract which gives the Holder the right to buy and the Writer the obligation to sell the Underlying Futures Contract at a stated Exercise Price on or before the Expiration Date of the option.
- b. **Put Option** - A contract which gives the Holder the right to sell and the Writer the obligation to buy the Underlying Futures Contract at a stated Exercise Price on or before the Expiration Date of the option.
- c. **Underlying Futures Contract** - The commodity futures contract traded on a Commodity Futures Exchange, which may be purchased or sold upon exercise of a Commodity Futures Option.
- d. **Exercise Price** - The stated price at which the Holder may purchase from or sell to the Writer the Underlying Futures Contract upon exercise of a Commodity Futures Option. Exercise Price is also referred to as the "Strike Price".
- e. **Premium** - The amount agreed upon between parties for the purchase and sale of a Commodity Futures Option.
- f. **Expiration Date** - The last day when a Commodity Futures Option may be exercised into the Underlying Futures Contract by the Holder.
- g. **Holder** - The purchaser of a Call or Put Option. He is said to have a long position.
- h. **Writer** - An individual who sells an option. Such a person is said to have a short position and is referred to sometimes as a grantor.

3. **Type of Option**  
A Call or a Put Option.
4. **Class of Options**  
All Commodity Futures Options of the same type (Puts or Calls) having the same Underlying Futures Contract.
5. **Series of Options**  
All Commodity Futures Options of the same class having the same Exercise Price and Expiration Date.
6. **Long Position**  
To have a long position with respect to a Commodity Futures Option means to have the right to exercise the option on or before the Expiration Date. To have a long position with respect to an Underlying Futures Contract means to be under an obligation to take delivery of the underlying commodity.
7. **Short Position**  
To have a short position with respect to a Commodity Futures Option means to be under an obligation to buy or sell the Underlying Futures Contract upon exercise of the option. To have a short position with respect to an Underlying Futures Contract means to be under an obligation to make delivery of an underlying commodity.
8. **Types of Option Transactions**
  - a. **Opening Purchase Transaction** - A transaction in which a person purchases a Commodity Futures Option and thereby initiates or increases a long position.
  - b. **Opening Sale Transaction** - A transaction in which a person sells or writes a Commodity Futures Option and thereby initiates or increases a short position.
  - c. **Closing Purchase Transaction** - A transaction in which a person with a short option position liquidates the position by buying an option of the same series as the option previously sold or written. Such a transaction is also referred to as an "Offsetting Transaction".
  - d. **Closing Sale Transaction** - A Transaction in which a person with a long option position liquidates the position by selling an option of the same series as the option previously purchased. Such a transaction is also referred to as an "Offsetting Transaction".

#### **NATURE OF COMMODITY FUTURES OPTIONS**

When you trade a Commodity Futures Option (option), you are entering into an agreement whereby you acquire the right (if you are a Holder) or the obligation (if you are a Writer) to buy or sell the Underlying Futures Contract at a stated Exercise Price on or before a specified Expiration Date. The Holder of the option pays a consideration called "Premium" to acquire the right, whereas the Writer of the option receives the Premium as compensation for undertaking the obligation.

There are two types of options — the Call Option and the Put Option. A Call Option gives the Holder the right to buy and the Writer the obligation to sell the Underlying Futures Contract. A Put Option on the other hand gives the Holder the right to sell and the Writer the obligation to buy the Underlying Futures Contract.

With the exception of the Premium, all other terms of Commodity Futures Options are standardized and determined by the Commodity Futures Exchange on which they are traded, particularly the Exercise Price and Expiration Date (see "Contract Specifications"). The Premium is determined on an exchange's auction market on the basis of supply and demand, reflecting such factors as the duration of the option, the difference between the Exercise Price of the option and the market price of the Underlying Futures Contract, and the price volatility and other characteristics of the Underlying Futures Contract.

As the Holder of an option, you may exercise your right to buy or sell the Underlying Futures Contract at any time before the Expiration Date of the option. If you exercise a Call Option, you will buy the Underlying Futures Contract, thereby assuming a long position in the futures contract market. If you exercise a Put Option, you will sell the Underlying Futures Contract, thereby assuming a short position in the futures contract market.

As the Writer of an option, you may be assigned an exercise notice at any time prior to the Expiration Date of the option, in which event you will be obligated to buy or sell the Underlying Futures Contract. If the exercise notice involves a Call Option that you have written, you will be required to sell the Underlying Futures Contract, thereby assuming a short position in the futures contract market. If the exercise notice involves a Put Option that you have written, you will be required to buy the Underlying Futures Contract, thereby assuming a long position in the futures contract market.

Whether you are a Holder or a Writer of an option, if as a result of an exercise of the option you assume a position in the Underlying Futures Contract, you will be subject to the margin requirements for, and all of the risks associated with, futures contract trading. Before you trade Commodity Futures Options, therefore, you should understand the procedures for, and the consequences resulting from, the exercise of an option. These are described in more detail under "Exercising Commodity Futures Options".

The Holder of an option is not obligated to exercise his option if it is not profitable for him to do so, in which case the option expires worthless and he loses the Premium he paid for it. If the Holder does not exercise his option, the Writers obligation under the option ceases upon the expiry of the option, and he profits from the transaction because he retains the Premium paid by the Holder. Instead of exercising his option, however, the Holder may choose to offset his position prior to the Expiration Date of the option if it is profitable for him to do so. He can do this by executing a closing sale transaction. The Writer of an option may avoid his obligation by offsetting his position at any time prior to the expiry of the option. He can do this by executing a closing purchase transaction.

Thus, the Holder of a Call Option may liquidate his position by selling a Call Option of the same series as the one previously purchased, whereas the Writer of a Call Option offsets his position by buying a Call Option of the same series as the one previously sold. The Holder of a Put Option liquidates his position by selling a Put Option of the same series as the one previously purchased, whereas the Writer of a Put Option offsets his position by buying a Put Option of the same series as the one previously sold.

Although Commodity Futures Options trading has this offsetting feature which can, in some way, limit the risks of trading options, there may be certain circumstances under which it may not be possible for you to offset your option position. These situations and their possible adverse effects are described under "Mechanics of Commodity Futures Options Trading".

#### **CERTAIN RISK FACTORS**

Commodity Futures Options are speculative. Consequently, only risk capital should be used to trade them. Before a person purchases or writes an option, he should inform himself of the risks involved and should determine whether such a transaction is appropriate for him in light of his financial situation and investment objectives.

Since the value of a Commodity Futures Option depends largely upon the likelihood of favorable price movements in the Underlying Futures Contract in relation to the Exercise Price during the life of the option, historical price and volume information concerning the Underlying Futures Contract may be significant in evaluating the risks of an option transaction. Historical price and volume information are available through various financial publications and in the financial press. Notwithstanding the availability of such information, however, specific market movements in the price of the Underlying Futures Contract cannot be accurately predicted.

Some of the risks involved in trading Commodity Futures Options are summarized below:

The purchaser of a Call or Put Option runs the risk of losing his entire investment — that is, the Premium paid for the option plus all transaction costs — in a relatively short period of time.

1. With respect to the purchase of a Call Option, should the market price of the Underlying Futures Contract not rise above the Exercise Price, the Call Option becomes entirely unprofitable at its expiration. Furthermore, if for some reason the Call Option cannot subsequently be sold on an exchange (see "Mechanics of Commodity Futures Options Trading"), the value of the Underlying Futures Contract must move sufficiently above the Exercise Price to cover the Premium and transaction costs in order that the option can be exercised at a profit. The risk of purchasing a Call Option is particularly great where the Exercise Price is considerably above the market price of the Underlying Futures Contract, or where the option is approaching its Expiration Date. In these circumstances, there is less likelihood of the Call Option increasing in value so as to make it profitable for the Holder to exercise the option or effect an offsetting transaction. Anyone purchasing such a Call Option must expect to lose the amount paid for it and related transaction costs.

With respect to the purchase of a Put Option, should the market price of the Underlying Futures Contract not decline below the Exercise Price, the Put Option becomes entirely unprofitable at its expiration. Furthermore, if for some reason the Put Option cannot subsequently be sold on an exchange (see "Mechanics of Commodity Futures Options Trading"), the value of the Underlying Futures Contract must move sufficiently below the Exercise Price to cover the Premium and transaction costs in order that the option can be exercised at a profit. The risk of purchasing a Put Option is particularly great where the Exercise Price is considerably below the market price of the Underlying Futures Contract, or where the option is approaching its Expiration Date. In these circumstances, there is less likelihood of the Put Option increasing in value so as to make it profitable for the Holder to exercise the option or effect an offsetting transaction. Anyone purchasing such a Put Option must expect to lose the amount paid for it and related transaction costs.

2. **ACCORDINGLY, you should not commit any amount of money to the purchase of Calls or Puts unless you are able to withstand the loss of the entire amount so committed.**

The Writer of a Call Option who does not have a long position in the Underlying Futures Contract is subject to a risk of loss should the price of the Underlying Futures Contract increase. He may be required to sell the Underlying Futures Contract at an Exercise Price which could be less than the price he must pay to acquire the Underlying Futures Contract.

This type of Call Option writing is extremely risky, and a person engaging in such Call Option transactions could incur large losses. Therefore, only sophisticated investors having substantial capital should engage in this type of transaction. Even such persons must expect to incur substantial losses in many of these Call writing transactions.

3. The Writer of a Call Option who has a long position in the Underlying Futures Contract deliverable upon exercise of the option is subject to the full risk of his underlying position in case of a decline in the price of the Underlying Futures Contract, although he has limited protection against such risk to the extent of the Premium received in writing the Call Option. In exchange for the Premium, however, and as long as he remains the Writer of a Call Option, he gives up the opportunity for gain resulting from an increase in the price of the Underlying Futures Contract above the Exercise Price because of the likelihood that the Call Option will be exercised by the Holder.

4. The Writer of a Put Option who does not have a short position in the Underlying Futures Contract is subject to risk of loss should the price of the Underlying Futures Contract decline. He may be required to buy the Underlying Futures Contract at an Exercise Price which could be more than the market price of the Underlying Futures Contract.

This type of Put Option writing is extremely risky, and a person engaging in such Put Option transactions could incur large losses. Therefore, only sophisticated investors having substantial capital should engage in this type of transaction. Even such persons must expect to incur substantial losses in many of these Put writing transactions.

5. The Writer of a Put Option who has a short position in the Underlying Futures Contract is subject to the full risk of his/her underlying position in case of a rise in the price of the Underlying Futures Contract, although he/she has limited protection against such risk to the extent of the Premium received in writing the Put Option. In exchange for the Premium, however and as long as he/she remains the Writer of a Put Option, he gives up the opportunity for gain resulting from a decline in the market price of the Underlying Futures Contract because of the likelihood that the Put Option will be exercised by the Holder.

The risks of Commodity Futures Options transactions described above may be moderated to the extent that a market, in particular options, is available on a Commodity Futures Exchange. This permits Holders and Writers in the appropriate circumstances to limit their losses by closing out or offsetting their positions prior to the time trading in these options ceases. Remember, however, that an offset market may not exist for a particular option under certain circumstances. This possibility should always be taken into account in considering the risks of Commodity Futures Options trading.

#### **MECHANICS OF COMMODITY FUTURES OPTIONS TRADING**

The rules of the Commodity Futures Exchange on which a Commodity Futures Option is listed govern the trading of such option. Under such rules, options can be bought and sold only on the trading floor of the exchange. Furthermore, the trading mechanisms established by such rules are designed to provide for competitive execution of buy and sell orders, and to make available to buyers and sellers a continuous market in which an option purchased can later be sold or an option sold can later be liquidated by an offsetting purchase.

Although each exchange's trading mechanisms are designed to provide market liquidity for the options traded on that exchange, it must be recognized that there can be no assurance that a liquid offset market on the exchange will exist for any particular option, or at any particular time, and for some options, no offset market on that exchange may exist at all. The following are among the reasons why it may be impossible to offset an option position: (i) there may be insufficient trading interest in certain options; (ii) the exchange may have imposed restrictions on certain options; (iii) trading halts, suspensions or other restrictions may be imposed, (iv) unusual or unforeseen circumstances may interrupt normal exchange operations, (v) one or more exchanges could, for regulatory or other reasons, decide or be compelled at some future date to discontinue or restrict trading of options. In such circumstances, offsetting trades cannot be made although existing options will continue to be exercisable in accordance with their terms.

In any of the foregoing events, it might not be possible to effect offsetting transactions in particular options. Under those circumstances, the market price of the Underlying Futures Contract must either rise above or fall below (as the case may be) the Exercise Price of the option by an amount in excess of the Premium and other costs incurred in the purchase of the option in order for it to be profitable. But in order for the Holder of an option to actually realize a profit, he would have to exercise the option, in which event he would have to comply with the margin requirements for the Underlying Futures Contract. On the other hand, the Writer of the option cannot do anything about his option position because he does not have a right to exercise. His obligation under the option cannot be terminated until it expires and the Holder has not exercised his right.

Exchanges may also have rules which limit the amount of price fluctuation for Commodity Futures Contracts and Commodity Futures Options during a single trading day. It should be emphasized, however, that not all futures contracts and not all Commodity Futures Options are subject to such limits. For those that are subject to daily limits, the limits may be removed at some point prior to the respective delivery month or Expiration Date. For those that are not subject to daily limits, exchange rules may provide for the imposition of limits under certain circumstances.

You should fully understand provisions relating to daily limits which are applicable to specific Commodity Futures Options and their Related Underlying Futures Contracts.

Where daily limits are in effect, they establish the maximum amount that the Premium for an option may vary from the previous day's price. Once the daily limit has been reached in a particular option, no trades may be made at a price beyond the limit. Positions in the option contracts can be opened or closed out only if traders are willing to offset trades at or within the limit during the period for trading on such day. The daily limit rule does not limit losses which might be suffered by a client, because it may prevent the liquidation of unfavorable positions. Also, option prices may move the daily limit for several consecutive trading days, thus preventing liquidation and subjecting a person short a Commodity Futures Option position to possible substantial losses.

#### **MARGIN REQUIREMENTS**

Margins with respect to Commodity Futures Options apply only to Writers of Options. The Holders have already paid a Premium in order to acquire the right to buy or sell the Underlying Futures Contract and, since Holders do not need to maintain margins, they have no further financial obligation. Writers of Options, on the other hand, have accepted a Premium in return for taking on the obligation to buy or sell the Underlying Futures Contract and, therefore, must maintain margins at rates set by the Commodity Futures Exchange or at such higher rates as may be required by the dealer. In addition, Writers of Options may be required to pay additional margin in the event of adverse market movement.

The margin requirements of the various Commodity Futures Exchanges may differ significantly. In addition, they are subject to change at any time, and such changes may even apply retroactively to options positions previously established.

Before you consider selling or writing a Commodity Futures Option, therefore, you should ask your dealer for information on specific margin requirements and assure yourself that you have sufficient available capital to meet increases in margin requirements, should such increases occur.

#### **EXERCISING COMMODITY FUTURES OPTIONS**

At any time on or before the Expiration Date of a Commodity Futures Option, the Holder may exercise the option and assume a long position (in case of a Call Option) or a short position (in case of a Put Option) in the Underlying Futures Contract at the stated Exercise Price. In order to do so, the Holder notifies his dealer who, in turn, deposits an exercise notice with the Clearing House. The Holder of an option should ascertain from his dealer what advance notice is required to enable the dealer to deposit

the required exercise notice with the Clearing House on or before the Expiration Date. The Clearing House forwards this notice to a clearing member who has a short position in that particular option and who is selected in accordance with Clearing House rules. Such clearing member then selects, in accordance with its own rules, a particular Writer who must then sell (in case of a Call Option) or buy (in case of a Put Option) the Underlying Futures Contract. Both the Holder and the Writer of the option assume a long or short position, as the case may be, in the Underlying Futures Contract, and both will be subject to the margin requirements for and all of the risks associated with futures contracts trading, unless they already hold an opposite long or short position in the Underlying Futures Contract in which case there would be an automatic offset.

Having acquired a position (whether long or short) in the Underlying Futures Contract, the Holder or the Writer may become obligated to make or take delivery, as the case may be, of the commodity represented thereby unless before the delivery date provided for in the futures contract, they elect to offset their position by buying or selling the same futures contract with the same delivery month. In that event, they will be obligated to pay their respective dealers a "round-turn" commission. If on the other hand, they elect to make or take delivery of the underlying commodity, they may be required to pay additional costs incidental to the delivery process. In the meantime, as long as the Holder or the Writer maintains his position in the Underlying Futures Contract, he will be required to maintain margin deposits at rates set by the Commodity Futures Exchange or at such higher rates as the dealer may require.

#### **EXPIRATION DATE OF COMMODITY FUTURES OPTIONS**

The Expiration Date of a Commodity Futures Option is the last day on which the Holder can exercise his option by purchasing (in the case of a Call Option) or selling (in the case of a Put Option) the Underlying Futures Contract at the stated Exercise Price. If the Holder does not wish to exercise his option but believes that it would be profitable for him to effect an offsetting transaction, he should advise his dealer well in advance of the last trading day for that particular option so that the dealer will have sufficient time within which to execute his order. Similarly, if the Writer believes that it would be profitable for him to effect an offsetting transaction, he should give instructions to his dealer well ahead of the last trading day.

The last day of trading for a Commodity Futures Option is usually the date prior to the Expiration Date. Both the last day of trading and the Expiration Date are indicated on the contract specifications for each Commodity Futures Option (see "Contract Specification"), and they often vary among the different options. You should always inform yourself about these terms of an option and, in particular, you should determine your dealers policy with respect to the cut-off date prior to the last day of trading for each option during which they would accept orders to execute offsetting transactions. These cut-off dates are important, especially if you are considering offsetting your option position at a time close to the Expiration Date. If you miss the cut-off date established by your dealer, it might be extremely difficult for you to liquidate your position.

If the Holder chooses not to exercise his option or if, for some reason, he is unable to effect an offsetting transaction, the option will lapse on the Expiration Date and the Holder loses his right under the option. In that event, the Writers obligation under the option is terminated.

#### **CLEARING**

In order to assure the performance of obligations under Commodity Futures Options, traders on the Commodity Futures Exchanges are required to use the facilities of the appropriate clearing house to which all trades in options are reported daily following the close of each trading session and are marked to the market for daily cash settlement. Members of the clearing house are also members of the corresponding Commodity Futures Exchange, but not all members of the exchange are clearing members.

When an option trade has been cleared with the clearing house, the contractual ties between the original Holder and the Writer of the option are severed. The clearing house becomes the principal liable to each clearing member who is party to such trade. Clearing members are themselves contractually obligated to the clearing house vis-à-vis the Holders or Writers they represent. Accordingly, the aggregate obligations of the clearing house to clearing members who represent Holders of options are balanced by the aggregate obligations which clearing members who represent Writers of options owe to the clearing house.

It should be emphasized that the Writer of a Call or Put Option has no control over when he might be required to respond to an exercise notice. Indeed, he must assume that he may be assigned an exercise notice at any time when the exercise of a Call or Put Option is advantageous to the Holder and that in such circumstances the Writer may incur a loss.

#### **CURRENCY**

Whether you plan to buy or sell a Commodity Futures Option, you should realize that some transactions are carried out in foreign currencies. Accordingly, if you are using Canadian Dollars in your transactions, you are exposed to the risks arising from the price fluctuations of foreign currencies in the foreign exchange market.

#### **COMMISSION AND OTHER TRANSACTION COSTS**

As the Holder of a Commodity Futures Option, in addition to the Premium that you pay for acquiring the option, you will pay commission to the dealer who purchased the option for you. If you offset your position through a closing sale transaction, you pay another commission. If you exercise your option and assume an opening long (in case of a Call Option) or short (in case of a Put Option) position in the Underlying Futures Contract, you will not be required to pay commission. However, when you subsequently close out your position in the Underlying Futures Contract, then you will pay your dealer a "round-turn" commission.

As the Writer of a Commodity Futures Option, you only pay commission to the dealer who sold the option for you. If you offset your position through a closing purchase transaction, you pay another commission. If the option is exercised against you and you assume an opening short (in case of a Call Option) or long (in case of a Put Option) position in the Underlying Futures Contract, you will not be required to pay commission. However, when you subsequently close out your position in the Underlying Futures Contract, you will then pay your dealer a "round-turn" commission.

Commission rates vary among different dealers. In addition, there may be other charges and fees involved in each option transaction apart from the commission. You should ask your dealer about all the costs that may be incurred in options transactions and take them into account in considering whether or not to trade Commodity Futures Options.

**EXCHANGE AND CLEARING HOUSE**

The Commodity Futures Options described in this Disclosure Statement are traded on Commodity Futures Exchanges which are regulated by the appropriate government agency under whose jurisdiction they are operating as such. Each exchange has its own Commodity Futures Options listed for trading on its auction market by its own members. Each exchange has bylaws and rules that regulate the trading of its own options for the maintenance of a fair and orderly market and for the protection of clients against fraudulent or wrongful activities of its members. Such rules may establish position and exercise limits and reporting requirements to prevent an imbalance in the market from arising. They may also require the broad dissemination of price and volume information in order to keep the public reasonably informed of trading activities with respect to particular Commodity Futures Options. All these exchanges require compliance with their by-laws and rules as a condition for membership or continuing membership.

Each exchange also has its own clearing Customer to which all trades in their respective Commodity Futures Options are reported daily and matched to ensure that for each option purchased, there is a corresponding seller on the other side of the market. The clearing Customer facilitates settlement of obligations arising from each option transaction. Each clearing Customer, therefore, has its own rules designed for the orderly settlement of option trades.

The rules and regulations of the Exchange and their respective Clearing House vary from one another. They may also be changed from time to time, and such changes may even be given retroactive effect.

Before you decide to trade Commodity Futures Options, you should ask your dealer about these matters because they can have a profound effect on your options transactions.

**CONTRACT SPECIFICATIONS**

Each Commodity Futures Exchange fixes the terms and conditions of its Commodity Futures Options. These terms may include such items as trading units, permissible price fluctuations, exercise prices, expiration dates, last day of trading, daily price limits, etc. Again, bear in mind that these terms vary among the different Commodity Futures Options, and they may even be changed from time to time without notice.

**ACKNOWLEDGEMENT**

The customer acknowledges that they have been fully advised regarding commission costs, fees and other charges to be incurred in connection with the commodity option transaction and all costs to be incurred by an option customer if the commodity option is enforced as well as exercise notification and expiration dates. In the event the customer wishes to exercise an option, the customer must notify RJO Canada of the intention to exercise on regular business days by 3:00 p.m. Chicago time for Chicago traded options and by 3:00 p.m. New York Time for New York traded options.

The customer certifies that they have sufficient knowledge and experience to adequately evaluate the risk of trading options on futures contracts on the underlying physical commodity. Based on this knowledge and experience, as well as the customer's financial condition and financial responsibilities, the customer is able to bear the risk involved.

## R.J. O'BRIEN & ASSOCIATES CANADA INC. ["RJO Canada"] PRIVACY AGREEMENT

### 1. Collection of Personal Information

When you open an account with RJO Canada, we collect, use and disclose your personal information in the course of providing financial and related services to you. The personal information that we collect from you includes:

- Financial information
- Address
- Banking information
- Social insurance number and date of birth (if you are an individual)

### 2. Use and Disclosure of Personal Information

RJO Canada may use and disclose your personal information for the following purposes:

- opening and maintaining your account(s) with us
- providing you with financial products and services you have requested,
- to a credit bureau or similar service provider for the purpose of verifying your identity (or if you are a corporation or similar entity, the identity of those persons authorized to trade for the account) to meet anti-money laundering regulations and in some cases, to determine your financial viability to trade with RJO Canada,
- to protect you and us from error and fraud,
- providing related administrative services,
- to Carrying Brokers who need to access your personal information to fulfill contractual and regulatory requirements; unless you ask us not to, providing you with information about other products and services that may be of interest to you;
- to third parties to perform functions or to provide services in support of the products and services we provide (for example, printing statements). When transferring personal information to a third party service provider, we transfer only that personal information which is required in order to perform the function or service for which the third party has been retained. To the extent that any of our affiliates or any of the third party service providers we retain are located outside of Canada, including the United States, personal information transferred to them will be subject to the laws of the foreign jurisdiction where they are located, including those laws governing disclosure of personal information;
- in the event of a sale of some or all of our business, we may disclose personal information to an acquiring organization, either as part of due diligence and/or on completion of the transaction; and,
- complying with legal and regulatory requirements, including for example to the IIROC, provincial securities commissions, the various exchanges of which RJO is a member, including exchanges in the United States and Canada Revenue Agency.

### 3. Consent

By opening an account at RJO Canada, you are providing consent to RJO Canada to collect, use and disclose your personal information as set out in this agreement. We will not use or disclose your personal information for purposes other than those described in this privacy agreement unless we obtain your prior consent to such use or disclosure is required or permitted by law. For example, RJO Canada does not require your consent to the collection, use and disclosure of your personal information where:

- Such collection, use and disclosure is reasonably required in the normal course of providing service to your account,
- For the collection of a debt owed to RJO Canada by you,
- To a law enforcement agency, securities regulatory authority or self-regulatory organization such as the IIROC, various exchanges in Canada and the United States,
- To legal counsel for the purpose of obtaining advice.

### 4. Corrections to Personal Information

You may review the information you have provided to RJO Canada and make corrections to it. We may request that you provide corrections in writing. You may address corrections, questions or privacy-related complaints to the Chief Compliance Officer, RJ O'Brien & Associates Canada Inc., Suite 1103-220 Portage Ave., Winnipeg, Manitoba, R3C 0A5.

### 5. Retention of Personal Information

RJO Canada may retain your personal information on file after you cease to be a client of RJO Canada for as long as RJO Canada requires such information or as long as is demanded by our regulatory requirements.

### 6. Consent to be contacted by Telephone

By executing our account opening documentation, you consent to be contacted by telephone (at the number(s) provided in this application or as provided to RJO Canada from time to time) by an RJO Canada representative concerning information pertaining to your account and/or services provided by RJO Canada. If you have any questions or comments about RJO Canada contacting you by telephone, you may reach us at 1-877-617-5542.

**BY OPENING AN ACCOUNT AT RJO CANADA, YOU ARE PROVIDING CONSENT TO RJO CANADA TO COLLECT, USE AND DISCLOSE YOUR PERSONAL INFORMATION AS SET OUT IN THIS AGREEMENT. THE TERMS OF OUR PRIVACY AGREEMENT MAY CHANGE FROM TIME TO TIME AFTER EXECUTION OF THIS AGREEMENT BY YOU. PLEASE REFER TO OUR WEBSITE FOR ANY UPDATES.**

# R.J.O'Brien & Associates Canada Inc.

Suite 1103, 220 Portage Avenue  
Winnipeg, MB R3C 0A5  
P: 204.594.1440  
F: 204.594.1450  
www.rjocanada.com

## FEE SCHEDULE Effective April 1, 2010

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Effective immediately, the following fees will apply to all commodities accounts held at R.J. O'Brien & Associates Canada Inc.

### Wire Transfers

\$25.00Cdn for each outgoing Cdn \$ wire  
\$25.00USD for each outgoing US \$ wire  
20.00Euros for each outgoing Euro wire

### Returned cheques

\$50.00Cdn per incident (Cdn \$ cheques)  
\$50.00USD per incident (US \$ cheques)

### Canadian Treasury bills (minimum purchase amount \$25,000)

\$25.00Cdn - for each purchase, sale, or rollover

### US Treasury bills (minimum purchase amount \$100,000)

\$50.00US - for each purchase, sale, or rollover

### Transfer out fee

\$100.00US per account

### Request for copies of statements

\$1.00US per page

### Mailed Daily Statements \$1.00US

### Inactivity fee (does not apply to new accounts in the first 90 days)

\$15.00US/month if all the following criteria are met:  
- total account value of less than \$5,000US at month's end;  
- no trading activity for the month, and  
- no open futures/options positions at month's end

### Delivery Fee

\$150.00US for speculative accounts making or taking delivery (per contract - minimum charge)

### Courier Fee

Special overnight delivery of cheque to customer \$25Cdn

### Transaction Fee

\$2.00US per side

### Currency Conversions

Current exchange rate plus 2% of net amount exchanged

### Electronic Market Fee

\$5.00 per round turn (Globex and all others)

**All fees are subject to change.**