
GENERAL TERMS & CONDITIONS

Effective from 1 October 2018 until Further Notice

CUSTOMER AGREEMENT

This is a legal contract between Friedberg Mercantile Group Ltd., herein after known as ("Friedberg Direct", "us" or "we") its successors and assigns, and the party/parties (the "Customer", "client" or "you") executing this document. This document, together with our [Risk Disclosure Statement](#), [Trading Conditions and Charges](#), [Privacy Policy](#), and [Order Execution Policy](#), represents the terms with which Friedberg Direct will do business with Customer. This document sets out the respective rights and obligations of both parties in connection with this service and both parties will accept and be bound by these terms on acceptance of the terms contained herein and on completion of the application form by Customer.

In connection with opening an account with Friedberg Direct to speculate in, and/or purchase, and/or sell, Forex and Contracts for Differences and options on such contracts (hereinafter collectively referred to as "CFDs") where the underlying interests may be equities, commodities, metals, currencies and indices, and the receipt of such other services and products as Friedberg Direct may, in its sole discretion, determine to offer from time to time in the future, Customer acknowledges that it has been advised and understands the following factors concerning trading in the over the counter market ("OTC"), in addition to those contained in the [Risk Disclosure Statement](#) which has been provided to Customer.

Friedberg Mercantile Group Ltd. is a registered investment dealer and a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada ("IIROC"). Friedberg Mercantile Group Ltd. is not a reporting issuer, and the CFDs are not listed on any stock exchange and are not transferrable.

You should carefully read and fully understand this agreement before submitting a trade application form to us. By submitting an application form, you are acknowledging that you have read the documents supplied to you, and understand and agree that your relationship with us will be governed by the terms and conditions set out in this agreement. No person has been authorized to give any information or to make any representations other than those contained herein. No securities commission or similar authority in Canada or elsewhere has reviewed or in any way passed upon this agreement or the merits of the CFDs and any representation to the contrary is an offence.

You understand that you will be purchasing CFDs pursuant to an exemption from the requirement to qualify the CFDs by prospectus under Canadian securities laws, and no such qualification is contemplated, and, as a consequence: (i) you are restricted from using certain of the civil remedies available under such securities laws; (ii) you may not receive information that would otherwise be required to be provided to you under such securities laws; and (iii) Friedberg Direct is relieved from certain obligations that would otherwise apply under such securities laws.

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In consideration of Friedberg Direct agreeing to provide services to “Customer”, “client” or “you” in connection with the purchase of CFDs and the receipt of such other services and products as Friedberg Direct may, in its sole discretion, determine to offer from time to time in the future and which may be purchased or sold by or through Friedberg Direct for Customer’s accounts(s), Customer agrees that the following rights and obligations will govern the relationship between Friedberg Direct and Customer.

IMPORTANT NOTICES

OTC trading means that trading does not take place on a regulated exchange. Friedberg Direct shall be the counterparty to your trades.

There may be certain cases in which trading liquidity decreases, causing CFDs to cease, thereby preventing the liquidation of an adverse position which may result in a substantial financial loss.

ORDER EXECUTION ONLY ACCOUNT. Friedberg Direct does not provide investment advice and shall deal with you on an execution-only basis at all times. Please note that we will not provide you with any advice on the merits or suitability of your entering into this agreement or any particular CFD. We will not provide you with any tax advice on the same. You may wish to seek independent advice before entering into this agreement and/or any CFD.

No investment advice or recommendation will be provided by us regarding the purchase or sale of any CFD. All trading decisions are made by you and are done so in reliance solely on your own judgement and at your own risk. You must rely on your own judgement and information before trading and, where necessary, seek independent advice. It is your responsibility to be aware of all applicable terms, conditions, rules and regulations that govern your CFD trading.

You acknowledge and agree that information provided by Friedberg Direct, AvaTrade or their employees, agents, or representatives about such things as:

- (i) the OTC derivatives markets and its characteristics;
- (ii) the operation of your account(s) or the terms and conditions of this agreement;
- (iii) the entry and execution of orders or the clearing of transactions;
- (iv) the terms and conditions of CFD contracts;
- (v) the types of orders that can be entered through Friedberg Direct;
- (vi) current exchange rates, market prices, market trends, contract prices or interest rates; or
- (vii) different types of trading strategies used by market participants;

does not constitute a recommendation, solicitation, endorsement or advice relating to any transaction or proposed transaction.

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All opinions, news, research, analysis, prices or other information contained on the Friedberg Direct trading platform as powered by AvaTrade, the website or distributed to you by or on behalf of Friedberg Direct are provided as general market commentary and do not constitute investment advice.

In addition, the market commentaries, signals, information provided by and/or distributed by Friedberg Direct are general in nature and based solely on the judgment of Friedberg Direct's personnel or from third party information providers. These market commentaries may or may not be consistent with the market position or intentions of Friedberg Direct, its affiliates, and/or employees. The market commentaries and information provided by Friedberg Direct are based upon information believed to be reliable, but Friedberg Direct cannot and does not guarantee the accuracy or completeness thereof or represent that following such commentaries will eliminate the risk inherent in trading CFDs. Customer understands and hereby agrees that Customer is capable of, and solely responsible for, assessing the merits and risks of any trade it may enter into with Friedberg Direct.

You agree to immediately notify our Compliance Department if any employee, representative or agent of Friedberg Direct provides information to you which you believe is a trading recommendation or investment or tax advice.

NO SUITABILITY REVIEWS. The information collected on the application form is used by us as a method to pre-screen clients as part of the account opening process and is not used to determine your general investment needs and objectives. We, as an execution-only dealer, are not required to, and do not, make any determination as to the suitability of a proposed purchase of CFDs either at the account opening stage or any ongoing trading activity you may wish to conduct.

Customer understands that Friedberg Direct does not permit its Customer representatives to either exercise discretion or manage an OTC account. If Customer's account is not being traded with Customer's authorisation, Customer must notify Friedberg Direct immediately.

SUPPORT SERVICES. Ava Trade EU Limited, a company incorporated in Ireland (company registration number 460012) with its registered office at 5 Lamps Place, Amiens Street, Dublin 1, Ireland, together with its affiliates and subsidiaries, collectively "AvaTrade") may provide you with certain technical support services. While AvaTrade entities may be registered in their home jurisdictions (Ireland) to trade in CFDs and have to comply with local rules on proficiency for salespersons, regulatory capital, insurance, record keeping, etc., it is not registered with any Canadian securities regulator as a dealer in the category of investment dealer. Therefore, the investor protections available under Canadian securities laws may not be available to you. However, nothing in this paragraph should be read to detract from the investor protections available to you as a client of Friedberg Direct which is a registered investment dealer in Canada and a member of the Canadian Investor Protection Fund and IIROC, and such investor protections are not minimized by the engagement of AvaTrade to provide services within prescribed limitations under Canadian law.

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Friedberg Direct and AvaTrade have entered into arrangements under which AvaTrade makes platforms and systems available to support the Friedberg Direct trading platform, including for account opening and fund transmission. As well, it is Friedberg Direct's intention that for each CFD it enters into with you it will, in turn, enter into an identical corresponding contract with AvaTrade under which Friedberg Direct will take the same position as that taken by you under your CFD with Friedberg Direct.

AvaTrade will be compensated by Friedberg Direct out of a portion of (and rateably calculated in the same way as) Friedberg Direct's compensation.

Please be advised that it may be difficult to enforce any legal rights against AvaTrade because it resides outside of Canada and all or substantially all of its assets are located outside of Canada.

ADDITIONAL RISK DISCLOSURE WHEN UTILIZING THE TRADING PLATFORM POWERED BY AVATRADE TECHNOLOGY. In addition to the Risk Disclosure Statement, we provide in Section 50 *Additional Risk Disclosure for AVATrade Platform* of this Customer Agreement which you should read and understand fully before trading on the Trading Platform (which includes both the MetaTrader and AVAOptions platform).

PRODUCT AND MARGIN INFORMATION. The particular CFDs which are available to trade from Friedberg Direct, margin requirements and trading hours are listed on the Friedberg Direct trading platform and updated from time to time.

Friedberg Direct's margin policies and/or the policies of those banks/clearing houses through which trades are executed may require that additional funds be provided to properly margin Customer's account and Customer is obligated to immediately meet such margin requirements. Failure to meet margin calls may result in the liquidation of any open positions with a resultant loss. Friedberg Direct reserves the right to refuse to accept any order.

Customer understands that it must carefully review the reports relating to Customer's trading posted online by Friedberg Direct. All reports of execution and statements of accounts will be deemed final unless customer objects within two business days of being posted. Objections may be made initially by email or by telephone, but must be confirmed thereafter in writing.

Customer understands that Friedberg Direct may establish rules and provisions for client accounts, including but not limited to minimum account size, investment time period, commissions and fees, leverage size per instrument, mark ups, rules relating to stop losses and limits, rules relating to rollovers, rules relating to margin calls, or any other financial arrangement, and that such rules and provisions may be changed by Friedberg Direct from time to time.

Customer has read and understands the Customer's obligations and rights under this Customer Agreement and agrees and acknowledges that this Customer Agreement, the [Risk Disclosure Statement](#) and the [Privacy Policy](#) will comprise the terms of the Customer's relationship with Friedberg Direct. The

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Customer agrees that Customer is fully responsible for making all decisions as to transactions effected for Customer's account. Customer has considered the foregoing factors and in view of Customer's present and anticipated financial resources, Customer is willing and able to assume the substantial financial risks of OTC trading.

RISK ACKNOWLEDGEMENT. You acknowledge that trading in leveraged and non-leveraged transactions is speculation, involves a high degree of risk, and is appropriate only for persons who can assume risk of loss in excess of their margin deposit. You understand that because of the low margin normally required in CFD trading, changes in the reference investment rates or market prices may result in significant losses that may substantially exceed your investment and margin deposit. You warrant that you are willing and able, financially and otherwise, to assume the risk of CFD trading, and in consideration of Friedberg Direct carrying your accounts, you agree not to hold Friedberg Direct responsibility for losses that may be incurred. You recognize that guarantees of profit or freedom from loss are impossible in CFD trading. You acknowledge that you have received no such guarantees from Friedberg Direct or from any of its representatives or any referring agent or other entity with whom you are conducting your Friedberg Direct account and has not entered into this agreement in consideration of or in reliance upon such guarantees or similar representations.

IT IS THE CUSTOMER'S RESPONSIBILITY TO FIND OUT ALL NECESSARY INFORMATION ABOUT TRADING IN CFDs AND FRIEDBERG DIRECT TERMS AND CONDITIONS AND MAKE SURE THAT ALL RISKS AND ARRANGEMENTS ARE DISCUSSED AND CLEARLY UNDERSTOOD PRIOR TO ANY TRADING ACTIVITY.

1. TERMS AND HEADINGS

- 1.1 "Friedberg Direct" shall, where the context so permits or requires, be deemed to mean Friedberg Mercantile Group Ltd., its subsidiaries and affiliates and their successors and assigns;
- 1.2 "Customer" shall mean the party (or parties) who have agreed to be bound by the terms of this Agreement;
- 1.3 "Agreement" shall include this agreement and all other agreements and authorizations executed by Customer in connection with the maintenance of Customer's account with Friedberg Direct.

The paragraph headings in this Agreement are inserted for convenience of reference only and are not deemed to limit the applicability or affect the meaning of any of its provisions.

2. INFORMATION ABOUT FRIEDBERG DIRECT

2.1 Friedberg Direct is a division of Friedberg Mercantile Group Ltd., a member of the Investment Industry Regulatory Organization of Canada (IIROC), the Canadian Investor Protection Fund (CIPF), and

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all Canadian Exchanges. Friedberg Mercantile Group Ltd. is headquartered at 181 Bay St., Suite 250, Toronto, ON M5J 2T3, Canada.

3. CATEGORISATION

3.1 For Canadian securities regulatory purposes, you have been categorized as a retail client. In addition, in providing its support services, AvaTrade's policy is to treat all of our clients as retail clients irrespective of the existence of any categorisations in the client's country of residence.

4. COMMUNICATION

4.1 The principal method of communication between Friedberg Direct and Customer will be electronically via Friedberg Direct's website and on-line trading platforms. Reports, statements, notices and any other communications may be transmitted to you via the email address on your application form, the on-line trading platform or to such other email address as you may from time to time, designate in writing with Friedberg Direct. All communications so sent, whether by mail, email or otherwise, will be deemed transmitted by Friedberg Direct when electronically submitted or deposited in the Canadian mail, or when received by a transmitting agent, and deemed delivered to you personally, whether actually received by you or not.

4.2 Information regarding orders placed and executed will be addressed personally to Customer through a customer specific account.

4.3 However, certain information will be provided generally on our website, such as general market commentary, product information and notices with regards to margin rates and Customer hereby consents to receiving information not addressed personally to customer in that form.

4.4 Customer may also place orders via the phone with our dealing room. Friedberg Direct does not accept FAX trade instructions; this form of instruction will not be acknowledged in any way. All instructions must be given promptly. If you do not provide such instructions promptly, then, depending on the circumstances we may, in our absolute discretion, take such reasonable steps at your cost as we reasonably consider necessary or desirable for our own protection or your protection.

4.5 No messages may be left, and no order may be placed on Friedberg Direct's answering machine or voicemail facilities. Under no circumstances, will an order be accepted from you simply by virtue of their leaving a message on the answer phone or voicemail facilities. You must never assume that it has made or that Friedberg Direct has accepted such an order unless and until you receive an order confirmation from Friedberg Direct.

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- 4.6 Where orders are placed by phone via the dealing room you may communicate with us in any one of the languages which are listed on the website.
- 4.7 Communications between you and Friedberg Direct will be in English. By virtue of the purchase of CFDs, you are deemed to acknowledge that its express wish is that all documents evidencing or relating in any way to the entering into the CFD (including the on-line trading platform) be drafted in English language only. **En souscrivant des valeurs mobilières en vertu de la présente notice d'offre, chaque souscripteur est réputé reconnaître avoir exigé que tous les documents faisant foi de ou relatifs à la vente des valeurs mobilières soient rédigés uniquement en anglais.**
- 4.8 Any notice from you to Friedberg Direct for all purposes hereunder must be delivered to Brookfield Place, 181 Bay Street, Suite 250, Toronto, Ontario, Canada M5J 2T3 or at such other address as Friedberg Direct may at any time advise you.
- 4.9 Any notice from you to Friedberg Direct must be in writing.
- 4.10 Any instruction sent via the Internet by you will only be deemed to have been received and shall only then constitute a valid instruction and/or binding contract between you and us when such instruction has been recorded as executed by us and confirmed by us to you. The mere transmission of an instruction by you will not give rise to a binding contract between you and us. You are responsible for making enquiry from us if a confirmation is expected in relation to a CFD but has not been received by you.
- 4.11 If, after instructions are received in relation to your account, we believe that it is not reasonably practicable to act upon such instructions within a reasonable time, we may defer acting upon those instructions until it is, in our reasonable opinion, practicable to do so or we may notify you that we refuse to act upon such instructions. We will not be liable for any losses resulting from such deferral or refusal.

5. AUTHORISATION TO TRADE

- 5.1 Friedberg Direct is authorised to enter into CFDs on an over-the-counter basis with Customer in accordance with Customer's oral or written or computer instructions, subject to the terms of this Agreement and all annexes hereto.
- 5.2 On completion of the application form by Customer, Friedberg Direct will issue Customer with a secure password which is to be used with the chosen user-name of the Customer.

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- 5.3 Friedberg Direct's security systems are designed to ensure that any information provided to and from Customer is securely transmitted. Customer is obligated to keep passwords secret and is solely responsible for ensuring that third parties do not obtain access to the password or Friedberg Direct's trading facilities.
- 5.4 Customer agrees to be exclusively responsible for any instruction received electronically that is identified with Customer's password and account number and for any electronic, oral and written instruction to Friedberg Direct from persons Friedberg Direct in its sole judgment, believes are apparently authorized by Customer.
- 5.5 If Customer's account is titled as a joint account, Friedberg Direct is authorised to act on the instructions of any one owner, without further inquiry, with regard to trading on the account and the disposition of any and all assets in the account.
- 5.6 In the event that you grant trading authority or control over your account to a third party, whether on a discretionary or non-discretionary basis, Friedberg Direct will in no way be responsible for reviewing your choice of such third party or for making any recommendations with respect thereto. Friedberg Direct makes no representations or warranties concerning any third party and it will not be responsible for any loss to your occasioned by the actions of such third party. Friedberg Direct does not, by implication or otherwise, endorse or approve of the operating methods of any third party. If you give a third party authority to exercise rights over your account, you do so at your own risk. To confirm, Friedberg Direct shall have no responsibility for further inquiry into such apparent authority and no liability for the consequences of any actions taken or omitted to be taken by Friedberg Direct in reliance on any such instructions or on the apparent authority of any such persons.
- 5.7 Friedberg Direct has the authority to require joint action by the owners of the account in respect of the account. Friedberg Direct may send all correspondences and documents in respect of the account to any one owner of a joint account.
- 5.8 Friedberg Direct has possession over the security of the account whether individual or joint.
- 5.9 If a death occurs to one or more of the owners of a joint account, Friedberg Direct shall be notified in writing and shown proof of a death certificate. All expenses due at the date of notification shall be charged to the account.
- 5.10 Up to the time valid written notification is provided to Friedberg Direct, each owner of a joint account is presumed to have an equal share in the joint account.

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6. APPROPRIATENESS OF TRADING

6.1 Although Friedberg Direct may issue general market commentary, these should not be construed as personal recommendations or advice to trade with Friedberg Direct. As such we are under no obligation to assess the suitability or otherwise of the Customer trading CFDs with Friedberg Direct. All trades entered into by Customer represent an independent decision by the Customer to trade with Friedberg Direct.

7. GOVERNMENTAL COUNTER PARTY INSTITUTION AND INTERBANKING SYSTEM RULES

7.1 All transactions under this Agreement shall be made in accordance with usage, rulings and interpretations of the counter party institution or other interbank market (and its clearing organization, if any) and with all applicable laws and regulations.

7.2 If any statute shall hereafter be enacted or any rule or regulation shall hereafter be adopted by any governmental authority, or a contract market or clearing organization which shall be binding upon Friedberg Direct or AvaTrade 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 superseded, 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.

7.3 Customer acknowledges that all transactions under this Agreement are subject to the aforementioned regulatory requirements and Customer shall not thereby be given any independent legal or contractual rights with respect to such requirements.

8. MARGINS AND DEPOSIT REQUIREMENTS

8.1 Customer shall provide to and maintain with Friedberg Direct margin in such amounts and in such forms as Friedberg Direct, in its sole discretion, may require. You are aware and acknowledge that the requirements for margin vary, and may be changed from time to time, at Friedberg Direct's sole discretion, based upon account size, volume traded and market conditions (as well as any changes required by IIROC). Such margin requirements may be greater or less than margins required by applicable securities legislation, by self-regulatory organization rules or by a counterparty bank. No previous margin requirement by Friedberg Direct will preclude Friedberg Direct from increasing that requirement without prior notice.

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- 8.2 Such margin requirements may be greater or less than margins required by those banks or brokers with which trades are executed.
- 8.3 Friedberg Direct may change margin requirements at any time.
- 8.4 Customer agrees to deposit by immediate wire transfer, or other payment method acceptable to Friedberg Direct, such additional margin when and as required by Friedberg Direct and will promptly meet all margin calls in such mode of transmission as Friedberg Direct in its sole discretion designates.
- 8.5 Friedberg Direct may at any time proceed to liquidate Customer's account and any failure by Friedberg Direct to enforce its rights hereunder shall not be deemed a waiver by Friedberg Direct to enforce its rights thereafter.
- 8.6 You agree that, in extreme circumstances where you open CFD position are moving or have moved against you and/or where we have increased the margin percentages, we may or may not make a margin call before exercising our rights under this agreement to close out your CFD. To the extent that we issue or attempt to issue a margin warning or margin call does not lessen our rights under this Agreement to close out your CFD.
- 8.7 Given the serious consequences of a failure to meet the margin requirement at any time or to make a margin payment when due, you are strongly advised to monitor the margin requirement on your account frequently and to ensure that we are able to get in contact with you at all times if necessary and be in a position to make margin payments from wherever you are. You must not rely upon our right to demand margin payments or make margin calls or warnings as a method of monitoring you open contracts, as such monitoring is your responsibility and we accept no liability for it. The level of margin payments demanded does not and is not intended to represent your entire liability to us and we may exercise our rights to close out your open positions if you fail to meet the margin requirement at any time, even where we have made a margin call or issued a margin warning.
- 8.8 Friedberg Direct retains the right to limit the amount and/or total number of open positions which Customer may acquire or maintain at Friedberg Direct, and to increase margin requirements in advance of earnings or other news or events, with or without notice, either before such events or retroactively or at any other time that it deems at its sole discretion.
- 8.9 Orders must be placed allowing sufficient time to execute and to calculate margin requirements.
- 8.10 Profits deriving from a transaction shall be added to Customer's account as additional margin, as long as the transaction is open, and upon the closing of the transaction, as an addition to the available balance for withdrawal.

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8.11 Losses deriving from a transaction shall be deducted from Customer's account.

9. BONUSES

9.1 [REMOVED][NUMBERING TO BE UPDATED ONCE FINALIZED]

10. OPTIONS

10.1 Options are contracts that give the buyer the right, but not the obligation, to buy (in the case of a Call Option) or to sell (in the case of a Put Option) at a specified price (the "Strike") at a specified time and date (the "Expiration"), from or to the seller of the option. These are commonly known as European style vanilla options.

10.2 The proceeds of the purchase or sale of an Option (the "Cost", or "Premium") will be immediately debited or credited to the cash balance of the account. At Expiration, Options that are in the money will be automatically closed out at intrinsic value, that is, in the case of Call Options, the amount by which the closing price of the Option exceeds the strike price, and in the case of Put Options, the amount by which the Strike exceeds the closing price of the specified FX/CFD. For long Call and short Put positions, the closing price will be the prevailing bid price of the underlying FX/CFD at Expiration; and for short Call and long Put positions, the closing price will be the prevailing ask (offer) price of the underlying FX/CFD, as determined by Friedberg Direct in its sole discretion. Options that are not in the money will expire worthless.

10.3 The Customer acknowledges, recognizes and accepts that Friedberg Direct quotes variable spreads on Options. The Client is specifically made aware that variable option spreads are affected by actual market conditions, which are beyond Friedberg Direct's control. Friedberg Direct does not guarantee any maximum or minimum quotable option spreads. There may be times when Options quotes are not available in some underlying FX/CFDs.

10.4 We allow you to perform various transactions, including in respect of options based on various indices that shall be defined by us from time to time (for example, index rates and stock and option rates), and to receive financial information and various other services as we shall determine in our sole discretion. Prior to effecting any transaction, we advise you to read the explanations that may be found on the website regarding each type of transaction. The rules of trade are set exclusively by Friedberg Direct.

10.5 We will make available, by posting on www.friedbergdirect.ca/www.avatrade.ca, the current price applicable to a share or index, and offer you the opportunity to submit a put or call position in respect of such share. Each position shall be for a specified expiry time. We expect that the current

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prices will be reasonably related to the actual prices of such shares available in the market. We make no warranty, express or implied, that the quoted prices represent prevailing quoted prices.

11. CUSTOMER ASSETS

- 11.1 Interest is not payable by Friedberg Direct on client funds deposited by Customer.
- 11.2 All funds, securities, currencies, and other property of Customer which Friedberg Direct or its affiliates may at any time be carrying for 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 or control or carried on its books for any purpose, including safekeeping, are to be held by Friedberg Direct as security and subject to a general lien and right of set-off for liabilities of Customer to Friedberg Direct whether or not Friedberg Direct has made advances in connection with such securities, commodities, currencies or other property, and irrespective of the number of accounts Customer may have with Friedberg Direct.
- 11.3 Friedberg Direct may in its discretion, at any time and from time to time, without notice to Customer, apply and/or transfer any or all funds or other property of Customer between any of Customer's accounts.
- 11.4 Customer hereby also grants to Friedberg Direct the right to pledge, re-pledge, hypothecate, invest or loan, either separately or with the property of other Customers, to itself as broker or to others, any securities or other property of Customer held by Friedberg Direct as margin or security.
- 11.5 Friedberg Direct shall at no time be required to deliver to Customer the identical property delivered to or purchased by Friedberg Direct for any account of Customer.
- 11.6 This authorization shall apply to all accounts carried by Friedberg Direct for Customer and shall remain in full force until all accounts are fully paid for by Customer or notice of revocation is sent by Friedberg Direct from its home office.
- 11.7 Any failure by Friedberg Direct to enforce its rights hereunder shall not be deemed a future waiver of such rights by Friedberg Direct.
- 11.8 Friedberg Direct is irrevocably appointed as attorney in-fact for Customer and is authorized, without notice to Customer, to execute and deliver any documents, give any notice and to take any actions on behalf of Customer, including the execution, delivery and filing of financing statements, that Friedberg Direct deems necessary or desirable to evidence or to protect Friedberg Direct's interest with respect to any collateral.

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11.9 In the event that the collateral deemed acceptable to Friedberg Direct is at any time insufficient to satisfy Customer's indebtedness or other obligations to Friedberg Direct, including obligations to provide margin hereunder, Customer shall promptly pay upon demand the entire amount of such deficit.

11.10 Default of Credit Institution and Monitoring:

11.10.1 In the event of default of one of our appointed credit institutions, Friedberg Direct does not accept responsibility and is not subject to any liability arising from losses to clients arising from such a default.

11.10.2 However, we conduct appropriate and continuing risk assessment of our appointed credit institutions in order to ensure that our appointed credit institutions are safe repositories.

11.10.3 We will supply the details of our appointed credit institutions on request to retail clients, including the names of those institutions and the client account details.

11.10.4 Where Customer does not wish Friedberg Direct to deposit funds with a particular credit institution we will return such funds to Customer as soon as possible.

11.11 Pursuant to section 11.4 Customers trading on the Friedberg Direct platform agree to the transfer of full ownership of funds to Friedberg Direct for the purpose of securing or otherwise covering a required margin and as such the required margin will no longer be treated as belonging to the Customer. Friedberg Direct will deposit the required margin as collateral with its liquidity provider(s). These funds will not be registered in the customer's name. Funds deposited by the Customer in excess of the required margin will be treated as client funds in accordance with the Client Asset.

12. CONFLICTS OF INTEREST

12.1 Friedberg Direct is required to maintain and operate effective organisational and administrative controls to take all reasonable steps to identify, manage, disclose and record conflicts of interest. In order to achieve this Friedberg Direct has established and implemented a Conflicts of Interest policy.

12.2 Where arrangements made by Friedberg Direct to manage conflicts of interest are insufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, Friedberg Direct shall clearly disclose to the client the general nature and the sources of the conflicts of interest before undertaking business on the client's behalf.

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13. COMPLAINTS

13.1 In the event that you are dissatisfied with the service provided by Friedberg Direct, we will deal with your complaint internally and will endeavour to come to a satisfactory solution promptly.

13.2 All complaints should be directed to the complaints officer, Dan Scheiner, at dscheiner@friedberg.ca.

14. LIQUIDATION OF ACCOUNTS AND PAYMENT OF DEFICIT BALANCES

14.1 In the event of (a) the death or judicial declaration of incompetence of Customer; (b) the filing of a petition in bankruptcy, or a petition for the appointment of a receiver, or the institution of any insolvency or similar proceeding by or against Customer; (c) the filing of an attachment against any of Customer's accounts carried by Friedberg Direct, (d) insufficient margin, or Friedberg Direct's determination that any collateral deposited to protect one or more accounts of Customer is inadequate, regardless of current market quotations, to secure the account; (e) Customer's failure to provide us with any information requested pursuant to this agreement or any applicable law; or (f) any abuse of trading practices, manipulations and/or fraud by Customer or any other person authorized to use the account; or (g) any other circumstances or developments that we deem appropriate for its protection, and in Friedberg Direct's sole discretion, it may take one or more, or any portion of, the following actions:

- (i) Satisfy any obligation Customer may have to us, either directly or by way of guaranty of suretyship, out of any of Customer's funds or property in Friedberg Direct's custody or control;
- (ii) Sell any or purchase any or all Currency contracts, securities held or carried for Customer; and
- (iii) Cancel any or all outstanding orders or contracts, or any other commitments made on behalf of Customer.

14.2 Any of the above actions may be taken without demand for margin or additional margin, without prior notice of sale or purchase or other notice to Customer, Customer's personal representatives, heirs, executors, administrators, trustees, legatees or assigns and regardless of whether the ownership interest shall be solely Customer's or held jointly with others.

14.3 Prior demand or notice of sale or purchase shall not be considered a waiver of Friedberg Direct's right to sell or buy at any time in the future without demand or notice as provided above.

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- 14.4 In liquidation of Customer's long or short positions, Friedberg Direct may, in its sole discretion, offset in the same settlement or it may initiate new long or short positions in order to establish a hedge which in Friedberg Direct's sole judgment may be advisable to protect or reduce existing positions in Customer's account.
- 14.5 Any sales or purchases hereunder may be made according to Friedberg Direct's judgment and at its discretion with any interbank or other exchange market where such business is then usually transacted or at a public auction or private sale, and Friedberg Direct may purchase the whole or any part thereof free from any right of redemption.
- 14.6 For Customer's protection, Equity or Net Liquidation Value of the Customer's trading account drops below the Minimum Margin Requirement, all of Customer's open transactions shall be automatically closed, whether at a loss or a profit.
- 14.6.1 For the MetaTrader platform, the Minimum Margin Requirement is equal to 50% of the Required Margin or as required by the rules and regulations of IIROC.
- 14.6.2 For the AvaOptions platform, the Minimum Margin Requirement is equal to 50% of Required Margin or as required by the rules and regulations of IIROC.
- 14.7 If the amount in Customer's trading account is less than zero, Customer shall promptly notify Friedberg Direct and Friedberg Direct shall nullify the account.
- 14.8 Neither Friedberg Direct nor any of its subsidiaries, affiliates or agents shall be responsible for any loss or damage caused due to closing of positions in accordance with the above.
- 14.9 Customer shall at all times be liable for the payment of any deficit balance of Customer upon demand by Friedberg Direct and in all cases, Customer shall be liable for any deficiency remaining in Customer's account(s) in the event of the liquidation thereof in whole or in part by Friedberg Direct or by Customer.
- 14.10 In the event the proceeds realized pursuant to this authorisation are insufficient for the payment of all liabilities of Customer due to Friedberg Direct, Customer shall promptly pay upon demand, the deficit and all unpaid liabilities, together with interest thereon equal to three (3) percentage points above the then prevailing prime rate at Friedberg Direct's principal bank or the maximum interest rate allowed by law, whichever is lower, and all costs of collection, including attorney's fees, witness fees, travel expenses and the like.
- 14.11 In the event Friedberg Direct incurs expenses other than for the collection of deficits, with respect to any of the account(s) of Customer, Customer agrees to pay such expenses.

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15. FEES/CHARGES

- 15.1 Fees arising out of Friedberg Direct providing services are outlined in the [Trading Conditions and Charges](#) page as set forth on the on-line trading platform. Friedberg Direct may change its commission, charges and/or fees at any time as long as it complies with the applicable notice requirements of IIROC.
- 15.2 Customer is aware that a part of Friedberg Direct's revenues derives from the spread on each transaction. The spread is the difference between the bid & the ask price of the price quote on a transaction. The standard spreads for all instruments are listed on [Trading Conditions & Charges](#) page as set forth on the on-line trading platform.
- 15.3 Friedberg Direct may increase or decrease spreads on any or all instruments, at its sole discretion, at any time without notification due to various mitigating factors – as required by securities regulation including IIROC margin requirements, market sentiment, news times or announcements, trading volumes, market volatility and/or additional internal or external factors. This may be effected on an individual client basis or for all clients simultaneously.
- 15.4 Where a customer requests a specific fee structure, a commission may be payable by Customer to open and close positions. Such commission payable will be debited from Customer's account at the same time as Friedberg Direct opens or closes the relevant CFDs.
- 15.5 Where we increase or introduce any new charges, we will post the changes on our website at least 7 days before they take effect.
- 15.6 We may also charge for incidental banking-related fees such as wire charges for deposits/withdrawals and returned check fees.
- 15.7 In certain circumstances additional fees may include such things as statement charges, order cancellation charges, account transfer charges, telephone order charges or fees imposed by any interbank agency, bank, contract, market or other regulatory or self-regulatory organisations arising out of Friedberg Direct's provision of services hereunder.
- 15.8 Customer may incur additional fees for the purchase of optional, value added services we offer.
- 15.9 ROLLOVERS, OVERNIGHT INTEREST:
- 15.9.1 A daily financing charge may apply to each open position at the closing of Friedberg Direct's trading day as regards to that instrument.

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- 15.9.2 If such financing charge is applicable, it will either be requested to be paid by Customer directly to Friedberg Direct or it will be paid by Friedberg Direct to Customer, depending on the type of CFD and the nature of the position Customer holds.
- 15.9.3 The method of calculation of the financing charge varies according to the type of contract to which it applies. Moreover, the amount of the financing charge will vary as it is linked to current interest rates (such as LIBOR).
- 15.9.4 The financing charge will be credited or debited (as appropriate) to Customer's account on the next trading day following the day to which it relates.
- 15.9.5 Friedberg Direct reserves the right to change the method of calculating the financing charge, the financing rates and/or the types of contracts to which the financing charge applies.
- 15.9.6 For certain types of contracts, a commission is payable by Customer to open and close positions. Such commission payable will be debited from Customer's account at the same time as Friedberg Direct opens or closes the relevant contract.
- 15.9.7 Trades in CFDs are linked to the market price of a certain base asset, including the market price of future contracts. A few days prior to the expiration date of the base asset to which the CFD is linked, the base asset shall be replaced with another asset, and the quotation of the CFD shall change accordingly.
- 15.9.8 CFDs do not have an expiration date.
- 15.9.9 Trades in CFDs are continuous and the base assets to which they are linked vary from time to time.
- 15.9.10 Friedberg Direct reserves the right to determine the base asset to which CFDs is linked, the date of replacement of the base asset, and the replacement conditions.
- 15.9.11 Following the replacement of the base asset, the quotation of the CFDs shall be adjusted, and the Customer's account shall be credited or debited, as applicable, in accordance with the difference in quotations created due to the replacement of the base asset.
- 15.9.12 The difference in quotations between the base assets is affected by the difference in rates between selling and buying of such assets in the market, and therefore the revaluation of selling and buying transactions shall be in different values.
- 15.9.13 Customers will incur costs in relation to the Spread Cost in closing the Old contract and Opening the New Contract and a Standard Overnight Interest charge.

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- 15.9.14 In most cases, the debits shall be higher than credits.
- 15.9.15 Any open transaction held by Customer at the end of the trading day as determined by Friedberg Direct or over the weekend, shall automatically be rolled over to the next business day so as to avoid an automatic close and physical settlement of the transaction.
- 15.9.16 Customer acknowledges that when rolling over such transactions to the next business day, overnight interest may be either added or subtracted from Customer's account with respect to such transaction.
- 15.9.17 The overnight interest amount shall be determined by Friedberg Direct from time to time, in Friedberg Direct's absolute discretion.
- 15.9.18 Customer hereby authorizes Friedberg Direct to add or subtract the overnight interest to or from Customer's account for any open transaction that have accrued overnight interest, in accordance with the applicable rate thereto, each day at the time of collection specified on the trading platform for each individual instrument, as applicable.
- 15.9.19 Full information related to applicable charges can be found at [Trading Conditions and Charges](#)

16. COMMUNICATIONS, STATEMENTS AND CONFIRMATIONS

- 16.1 Reports, statements, notices, trade confirmations, and any other communications will be posted online and shall be transmitted to such address as Customer may from time to time designate in a written or electronic communication to Friedberg Direct.
- 16.2 Customer is responsible for alerting Friedberg Direct to any change in its e-mail address.
- 16.3 Communications are deemed received when made available or e-mailed to Customer by Friedberg Direct, regardless of whether Customer actually accessed the statement.
- 16.4 Customer will be able to generate daily, monthly and annual account statements detailing transaction activity, profit and loss statements, open positions, margin balances, account credits and debits.
- 16.5 Customer understands that it must carefully review the reports relating to Customer's trading posted online by Friedberg Direct.

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- 16.6 Reports of the confirmation of orders and statements of accounts for Customer posted online or emailed by Friedberg Direct shall be deemed correct and shall be conclusive and binding upon Customer if not objected to within two business days of the posting online.
- 16.7 Objections may be made initially by email or by telephone, but must be confirmed thereafter in writing.
- 16.8 If Customer becomes aware of an error with respect to any report or statement, such as amounts erroneously credited to Customer, Customer shall immediately inform Friedberg Direct and is responsible to return such amount to Friedberg Direct, and if Friedberg Direct becomes aware of such occurrence, Friedberg Direct is expressly authorized to correct such error by correcting such report or statement, and, if applicable, treating this as a Deficit Balance.
- 16.9 Customer declares that by providing its registration data to Friedberg Direct it hereby consents to, Friedberg Direct, its subsidiaries, affiliates and agents sending, and Customer receiving, by means of telephone, facsimile, SMS or e-mail, communications containing content of a commercial nature relating to Customer's use of the trading platform, including information and offers from Friedberg Direct or third parties that Friedberg Direct believes Customer may find useful or interesting, such as newsletters, marketing or promotional materials.
- 16.10 Customer acknowledges that Friedberg Direct does not have to separately obtain Customer's prior consent (whether written or oral) before distributing such communications to Customer, provided that Friedberg Direct shall cease to distribute such communications should Customer notify Friedberg Direct in writing that Customer no longer desires to receive such commercial communication.
- 16.11 Client statements can be generated by the client at any time on the on-line trading platform. These statements will record the time the order was executed and the balance of their account. Our internal records will state the time the order was requested from the client.
- 16.12 Friedberg Direct will also provide the client with a statement on an annual basis outlining the details of funds held by the firm for the client at end of the period covered by the statement. Statements will also show all charges applied during the period covered by the statement, if any.
- 16.13 Real time access to each client's account showing transactions, the time orders were filled and the balance on the client's account will also be available to customers.

17. DISCLAIMER OF WARRANTIES / LIMITATION OF LIABILITY

- 17.1 Friedberg Direct and/or any of its subsidiaries, affiliates or agents shall not be responsible for any loss or damage caused, directly or indirectly, by any events, actions or omissions beyond the

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control of Friedberg Direct including, without limitation, loss or damage resulting, directly or indirectly, from any delays or inaccuracies in the transmission of orders and/or information due to breakdown or failure of transmission or communication facilities, or electrical power outage.

- 17.2 Neither Friedberg Direct nor any of its subsidiaries, affiliates or agents warrants that the trading platform or any services provided (including Third Party Licenses) will be available without interruption or will be error free and such trading platform and services are being provided "AS IS" without any representation or warranty of any kind whatsoever except as otherwise set forth herein.
- 17.3 Under no circumstances shall Friedberg Direct or any of its subsidiaries, affiliates or agents be liable for any direct, indirect, punitive, incidental, special, or consequential damages that result from the use of, or inability to use, Friedberg Direct's trading platform or services (including Third Party Licenses) including but not limited to lost profits, loss of business, trading loss, loss of data or use of data, any unauthorized access to, alteration, theft or destruction of Customer's computers, computer systems, data files, programs or information, or costs of procurement of substitute goods or services.
- 17.4 Customer agrees that this section represents a reasonable allocation of risk, that this section is an essential element of this Agreement and that in its absence; the economic terms of this Agreement would be substantially different.
- 17.5 This limitation applies whether the alleged liability is based on contract, tort, negligence, strict liability, or any other basis, even if Friedberg Direct or any of its subsidiaries, affiliates or agents has been advised of the possibility of such damage.
- 17.6 Neither Friedberg Direct nor any of its subsidiaries, affiliates or agents has liability or duty of indemnification related to unusable data, lost or corrupt Customer transactions or data, by whatever means, in whatever form.
- 17.7 This limitation of liability additionally eliminates any duty or liability on the part of Friedberg Direct or any of its subsidiaries, affiliates or agents related to unusable data, lost or corrupt Customer transactions or data, resulting in part or in whole from third-party software or networking goods or services or from internet related problems or from actions or events outside of Friedberg Direct's control.
- 17.8 Friedberg Direct and its subsidiaries, affiliates and agents disclaim any and all liability resulting from or related to any breach of internet security or disruption, distortions or delays of Customer's connections to the internet, due to any reason.

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17.9 As OTC is not an exchange traded market, prices at which Friedberg Direct deals at or quotes may or may not be similar to prices at which other OTC market makers deal at or quote.

17.10 Should a quoting or execution error occur, which may include, but are not limited to, a mistype of a quote, a quote that is not representative of fair market prices, an erroneous price quote from a dealer or erroneous price quote due to failure of hardware, software or communication lines or systems or inaccurate external data feeds provided by third-party vendors, Friedberg Direct will not be liable for the resulting errors in account balances. Without derogating from the above, in the event that transactions shall be closed or opened based on the Erroneous Quote, Friedberg Direct's trading room attempts to recognize such event and to act promptly to reset such event. Customer acknowledges that the reset process may take time, during which Customer may not be able to use its trading account, and outstanding orders may not be executed.

17.11 In case Friedberg Direct will identify an erroneous quote or an outdated quote, it may offer the Customer an alternative quote or alternatively to continue the transaction, all at the sole discretion of Friedberg Direct.

17.12 Customer further acknowledges that Ava, its subsidiaries, affiliates and agents shall not be liable for any loss or damage caused due to or in connection with such reset process.

17.13 Third Party Licenses:

17.13.1 If any third party software is included within or embedded in the Friedberg Direct website or online trading platform, then such embedded third party software shall be provided subject to the terms of this Customer Agreement which apply to the online trading platform.

17.13.2 Customer shall fully comply with terms of any Third Party Licenses that we provide from time to time.

17.13.3 We provide no express or implied warranty, indemnity or support for the Third Party Licenses, and will have no liability related thereto.

17.13.4 "Third Party Licenses" means licenses from third parties governing third party software embedded or used in the trading platform.

18. FLUCTUATION RISK

18.1 If Customer directs Friedberg Direct to enter into any CFDs (including Forex and Options) transaction:

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- (i) Any profit or loss arising as a result of a fluctuation in CFDs will be entirely for Customer's account and risk;
- (ii) All initial and subsequent deposits for margin purposes shall be made in U.S. Dollars and Canadian Dollars in such amounts as Friedberg Direct may in its sole discretion require; and
- (iii) Friedberg Direct is authorized to convert funds in Customer's account for margin into and from such foreign currency at a rate of exchange determined by Friedberg Direct in its sole discretion on the basis of the then prevailing money market rates.

19. INDEMNIFICATION

19.1 Customer agrees to indemnify and hold Friedberg Direct, its subsidiaries, affiliates, agents, employees, agents, successors and assigns ("Friedberg Direct Indemnities") harmless from and against any and all liabilities, losses, damages, costs and expenses, including attorney's fees, incurred by any of Friedberg Direct indemnities arising out of Customer's failure to fully and timely perform Customer's obligations herein or under any Third Party License or should any of Customer's representations and warranties fail to be true and correct.

19.2 Customer also agrees to pay Friedberg Direct indemnities promptly all damages, costs and expenses, including attorney's fees, incurred in the enforcement of any of the provisions of this Agreement and any other agreements between Friedberg Direct and Customer.

19.3 In addition to any limitations of liability specified elsewhere in this Agreement, Friedberg Direct Indemnities shall not be held liable and are released from all claims and losses, including all claims or losses caused or contributed to by:

- (i) The actions or omission to act on the part of Customer,
- (ii) Any act or omission by any person obtaining access to Customer's account, whether or not Customer has authorized such access or not,
- (iii) System malfunction, equipment failure, system interruption or system unavailability where such system malfunction, equipment failure, system interruption or system unavailability is beyond the control of Friedberg Direct,
- (iv) Delays, failure or errors in implementing any instruction not due solely to the action or omission to act on the part of Friedberg Direct,
- (v) Inaccurate or incomplete instructions received by Friedberg Direct's from Customer, or

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- (vi) Any reliance or use by Customer or any other third party with access to Customer's account of any financial and market data, quotes, news, analyst opinions, research reports, graphs or any other data or information whatsoever available through the trading platform or any Third Party License, whether to complete a transaction on the trading platform or for any other purpose whatsoever.

19.4 Friedberg Direct shall be entitled to setoff Customer's liabilities under this section from Customer's account.

20. PROHIBITION ON ARBITRAGE AND MANIPULATION

20.1 Friedberg Direct does not permit the practice of arbitrage when trading and strictly forbids any form of manipulation of its prices, execution, and platform or making transactions based on errors, omissions or misquotes on the Friedberg Direct platform.

20.2 Price latency, connectivity delays, and price feed errors sometimes create a situation where the prices displayed do not accurately reflect market rates. The concept of arbitrage and "scalping", or taking advantage of these Internet delays, cannot exist in an OTC market where the client is buying or selling directly from the market maker.

20.3 Any transactions that rely on price latency or price feed errors may be subject to intervention which includes the right to void any transactions which Friedberg Direct has determined to be a result of any of these practices, revocation of profits, widening of spreads, block of trading and any other necessary corrections or adjustments on the account without prior notice.

20.4 If Friedberg Direct suspects or has reason to believe that Customer has abused the terms and conditions by hedging positions internally (using other trading accounts held with Friedberg Direct) or externally (using other trading accounts held with other brokers), Friedberg Direct reserves the right to cancel any trades or profits associated with Customer's account(s).

21. EXECUTION OF ORDERS, STOP AND LIMITS

21.1 Friedberg Direct will use commercially reasonable efforts to complete all orders which it may, in its sole discretion, choose to accept in accordance with the oral or written or computer instructions of Customer.

21.2 Friedberg Direct reserves the right to refuse to accept any order.

21.3 Friedberg Direct may, at its sole discretion, allow Customer to specify a closing price for a transaction at the trading platform through a "Close at Loss" and "Close at Profit" order, subject

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always to the terms of this Agreement and any other terms and conditions Friedberg Direct may implement from time to time.

21.3.1 “Close at Loss” means an offer to close a transaction at a price determined in advance by Customer which, in the case of a transaction that is opened by offering to buy a specific number of a certain instrument, is lower than the opening transaction price, and in the case of a transaction that is opened by offering to sell a specific number of a certain instrument, is higher than the opening transaction price.

21.3.2 “Close at Profit” means an offer to close a transaction at a price determined in advance by Customer which, in the case of a transaction that is opened by offering to buy a specific number of a certain instrument, is higher than the opening transaction price, and in the case of a transaction that is opened by offering to sell a specific number of a certain instrument, is lower than the opening transaction price.

21.4 Upon Customer's offer and Friedberg Direct's acceptance of an order, Customer hereby authorizes Friedberg Direct to close the transaction at the Close at Loss price or Close at Profit price, as applicable, and as agreed upon in the order, without further instruction from or notification to Customer.

21.5 Friedberg Direct may, in its sole discretion, close the transaction when the price quoted by Friedberg Direct on the trading platform equals the price accepted by Friedberg Direct for such an order.

21.6 Customer acknowledges and agrees that Friedberg Direct shall not be obligated to close a transaction which does not otherwise comply with any other limitations agreed upon with respect to such transaction.

21.7 Customer acknowledges and agrees that due to market volatility and factors beyond Friedberg Direct's control, Friedberg Direct cannot guarantee that a Close at Loss order will be executed at the level specified in Customer's order. In such an event, Friedberg Direct will close the transaction at the next best price.

21.8 If, before Customer's “Limit Order” offer to open or close a transaction is accepted by Friedberg Direct, Friedberg Direct's quote moves to Customer's advantage (for example, if the price goes down as Customer buys or the price goes up as Customer sells) Customer agrees that Friedberg Direct will execute the closing transaction at the Customer's specified price and not better. Customer agrees that Friedberg Direct can retain such price movement for its own account.

21.9 Customer is aware that a part of Friedberg Direct's revenues derives from the spreads on each transaction. The spread is the difference between the bid & the ask price of the price quote on a transaction. Therefore, in case the fair market price reduces Friedberg Direct's spread in a specific

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transaction, Friedberg Direct may, at its sole discretion, choose not to execute such transaction, in which case Friedberg Direct may send Customer an amended quote for his/her consideration. Friedberg Direct may complete a transaction at its sole discretion in case the fair market price does not affect Friedberg Direct's spread from the transaction and / or increases it.

22. RISK ACKNOWLEDGMENT

- 22.1 Customer acknowledges that investment in leveraged and non-leveraged transactions are speculative, involves a high degree of risk, and is appropriate only for persons who can assume risk of loss of their entire margin deposit.
- 22.2 Customer understands that because of the low margin normally required in OTC trading, price changes in OTC may result in significant losses.
- 22.3 Customer warrants that Customer is willing and able, financially and otherwise, to assume the risk of OTC trading, and in consideration of Friedberg Direct's carrying his/her account(s), Customer agrees not to hold Friedberg Direct and any of its subsidiaries, affiliates or agents responsible for any losses incurred by Customer.
- 22.4 Customer recognizes that guarantees of profit or freedom from loss are impossible in OTC trading.
- 22.5 Customer acknowledges that Customer has received no such guarantees from Friedberg Direct or from any of its representatives or any introducing agent or other entity with whom Customer is conducting his/her Friedberg Direct account and has not entered into this agreement in consideration of or in reliance upon any such guarantees or similar representations.
- 22.6 The high degree of leverage that is obtainable in the trading of CFDs (including Forex and Options). These transactions can work against you as well as for you. Leverage can lead to large losses as well as gains.
- 22.7 During times of extreme volatility it can be difficult or impossible to execute orders.

23. MARKET COMMENTARY AND INFORMATION

23.1 Customer acknowledges that:

- (i) Any market commentary, signals and information communicated by any method of communication to Customer by Friedberg Direct and any of its subsidiaries, affiliates, agents or by any person within Friedberg Direct does not constitute an offer to sell or the

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solicitation of an offer to buy any OTC contract, and that Friedberg Direct does not provide investment advice

- (ii) Such recommendation and information, although generally based upon information obtained from sources believed by Friedberg Direct to be reliable, may be based solely on a broker's opinion and that such information may be incomplete and may be unverified, and
 - (iii) Friedberg Direct makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of any information or market recommendation furnished to Customer and shall not be responsible for any loss or damage including without limitation any loss of margin or profits which may arise directly or indirectly from use or reliance on such recommendations or information.
- 23.2 Customer understands that Customer is solely responsible for assessing the merits and risks of any trade it may enter into with Friedberg Direct whether as a result of information provided by Friedberg Direct or otherwise.
- 23.3 Customer acknowledges that Friedberg Direct and/or its officers, directors, affiliates, associates, stockholders or representatives may have a position in or may intend to buy or sell CFDs, which are the subject of market commentary furnished to Customer, and that the market position of Friedberg Direct or any such officer, director, affiliate, associate, stockholder or representative may not be consistent with the commentary furnished to Customer by Friedberg Direct.
- 23.4 Customer acknowledges that Friedberg Direct makes no representations concerning the tax implications or treatment of any trading activity.

24. CUSTOMER REPRESENTATIONS AND WARRANTIES

24.1 Customer represents and warrants that:

- (i) if Customer is a natural person, Customer is of sound mind, legal age and legal competence
- (ii) if Customer is not a natural person,
 - a. Customer is duly organized and validly existing under the applicable laws of the jurisdiction of its organization;
 - b. Execution and delivery of this Agreement and all Contracts and other transactions contemplated hereunder and performance of all obligations

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contemplated under this Agreement and all other transactions contemplated hereunder have been duly authorised by Customer; and

- c. Each person executing and delivering this Agreement and all other transactions contemplated hereunder on behalf of the Customer, has been duly authorised by Customer to do so.
- (iii) No person other than Customer has or will have an interest in Customer's account(s) and Customer has not granted and will not grant a security interest in Customer's account with Friedberg Direct (other than the security interest granted to Friedberg Direct hereunder) to any person without Friedberg Direct's prior written consent. Customer has full beneficial ownership of all collateral and will not grant any security interest in any collateral to any person (other than the security interest granted to Friedberg Direct hereunder) without Friedberg Direct's prior written consent; and,
 - (iv) Customer hereby warrants that regardless of any subsequent determination to the contrary, Customer is suitable to trade OTC; and,
 - (v) Customer is not now an employee of any exchange, any corporation in which any exchange owns a majority of the capital stock, any member of any exchange and/or firm registered on any exchange, or any bank, trust, or insurance company, and in the event that Customer becomes so employed, Customer will promptly notify us, at Friedberg Direct 's home office, in writing, of such employment; and,
 - (vi) Customer will execute and deliver all documents, give all notices, make all filings and take such other actions as Friedberg Direct, in its sole discretion, deems necessary or desirable to evidence or perfect any security interest in favour of Friedberg Direct or to protect Friedberg Direct's interests with respect to any Collateral; and,
 - (vii) Customer has read and understands the provisions contained in this Agreement, including, without limitation, Friedberg Direct's [Risk Disclosure Statement](#) and [Privacy Statement](#); and
 - (viii) Customer will not affect any transaction in Customer's account unless Customer understands this Agreement, and Customer agrees that in effecting any transaction it is deemed to represent that it has read and understands this Agreement as in effect at the time of such transaction; and
 - (ix) Customer agrees to, and shall at all times comply with all applicable laws, statutes and regulations and Customer hereby declares that the execution and delivery by Customer of this Agreement and all other transactions contemplated hereunder, and performance

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of all of Customer's obligations contemplated under this Agreement and any other transaction contemplated hereunder, will not violate any statute, rule, regulation, ordinance, charter, by-law or policy applicable to Customer. Customer may not use this account with Friedberg Direct for any illegal activity.

25. ISLAMIC ACCOUNTS

- 25.1 In the event that Customer, due to its observance of Islamic religious beliefs cannot receive or pay interest, Customer may elect to designate, in the manner provided by Friedberg Direct, its trading account to be an Islamic Account, which is not charged with, or entitled to, overnight interest and/or rollovers.
- 25.2 In the event that Customer designates its account as an Islamic account, Customer may not keep transactions in such account open for more than 5 days and may not otherwise abuse such benefit.
- 25.3 Friedberg Direct reserves the right to cancel the aforesaid benefit at any time and take any action necessary in Friedberg Direct's absolute discretion due to abuse of this benefit.
- 25.4 Such actions may include, without limitation, the designation of the Islamic Account as a regular account and retroactively effecting required adjustments (e.g., setting off amounts from the account equal to amounts paid by Friedberg Direct as interest), cancellation of transactions, and adjustment of account balances.

26. DISCLOSURE OF FINANCIAL INFORMATION

- 26.1 The Customer represents and warrants that the financial information disclosed to us in his/its Application is an accurate representation of the Customer's current financial condition.
- 26.2 The Customer represents and warrants that the Customer has very carefully considered the portion of the Customer's assets which the Customer considers to be risk capital.
- 26.3 The Customer recognizes that risk capital is the amount of money the Customer is willing to put at risk and the loss of it would not, in any way, change the Customer's lifestyle.
- 26.4 The Customer agrees to immediately inform us if the Customer's financial condition changes in such a way to reduce the Customer's net worth, liquid assets and/or risk capital.

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27. NO SEPARATE AGREEMENTS

- 27.1 Customer acknowledges that Customer has no separate agreement with Friedberg Direct or any of its employees or agents regarding the trading in Customer's Friedberg Direct account, including any agreement to guarantee profits or limit losses in Customer's account.
- 27.2 Customer understands that Customer must authorize every transaction prior to its execution unless Customer has delegated discretion to another party by signing Friedberg Direct's limited trading authorization or as otherwise agreed in writing with Friedberg Direct, and any disputed transactions must be brought to the attention of Friedberg Direct's Compliance Officer pursuant to the notice requirements of this Customer Agreement.
- 27.3 Customer agrees to indemnify and hold Friedberg Direct and its subsidiaries, affiliates and agents harmless from all damages or liability resulting from Customer's failure to immediately notify Friedberg Direct's Compliance Officer of any of the occurrences referred to herein.
- 27.4 All notices required under this section shall be sent to Friedberg Direct at its home office.

28. REFERRAL AGENT DISCLOSURE

FRIEDBERG DIRECT AND REFERRING AGENTS ARE WHOLLY SEPARATE AND INDEPENDENT FROM ONE ANOTHER. THERE IS NO AGREEMENT BETWEEN FRIEDBERG DIRECT AND ANY REFERRING AGENT WHICH ESTABLISHES A JOINT VENTURE OR PARTNERSHIP AND REFERRING AGENTS ARE NOT AGENTS OR EMPLOYEES OF FRIEDBERG DIRECT.

- 28.1 Friedberg Direct does not control, and cannot endorse or vouch for the accuracy or completeness of any information or advice you may have received or may receive in the future from, any agent(s) that referred you to us or AvaTrade (or any employees, sub-agents or referring agents thereof) (each, a "Referring Agent") or from any other person not employed by Friedberg Direct regarding CFD trading or the risks involved in such trading.
- 28.2 If you have indicated that you have been referred to Friedberg Direct by a Referring Agent, Friedberg Direct may compensate your Referring Agent pursuant to an agreement between the Referring Agent and Friedberg Direct under which the Referring Agent may refer prospective customers to open trading accounts with Friedberg Direct. The compensation to Referring Agents is not based on a standard compensation structure and may be based on a flat fee or based on particular trades. Referral fees paid to a Referring Agent associated with your account will be disclosed to you upon account approval. As Friedberg Mercantile Group Ltd., of which Friedberg

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Direct is a division, is registered as an investment dealer (or the equivalent) across Canada, it is permitted to engage in all of the activities contemplated in this agreement. As the Referring Agent is not registered, all activities requiring registration (including trading) are to be provided by Friedberg Direct (and not the Referring Agent).

- 28.3. Friedberg Direct provides risk disclosure information to all new clients when they open accounts. You should read that information carefully, and should not rely on any information to the contrary from any other source.
- 28.4 You acknowledge that no promises have been made by Friedberg Direct or any individual associated with Friedberg Direct regarding future profits or avoidance of losses in your account. You understand that CFD Trading is very risky, and that many people lose money trading.
- 28.5 If a Referring Agent or any other third party provides you with information or advice regarding CFD trading, Friedberg Direct will in no way be responsible for any loss to you resulting from your use of such information or advice.
- 28.6 To the extent you have previously been led to believe or believe that utilizing any third party trading system, course, program, research or recommendations provided by a Referring Agent or any other third party will result in trading profits or the avoidance of loss, you hereby acknowledge, agree and understand that all CFD trading, including trading done pursuant to a system, course, program, research or recommendations of a Referring Agent or another third party, involves a substantial risk of loss. In addition, you hereby acknowledge, agree and understand that the use of a trading system, course, program, research or recommendations of a Referring Agent or another third party will not necessarily result in profits, avoid losses or limit losses.
- 28.7. You understand that Referring Agents and many third party vendors of trading systems, courses, programs, research or recommendations are not regulated by a government agency.
- 28.8. Friedberg Direct does not endorse or vouch for the services provided by any Referring Agent. Since no Referring Agent is an employee or agent of Friedberg Direct, it is your responsibility to perform necessary due diligence on any Referring Agent prior to using any of their services.
- 28.9. You understand and agree that if your account with Friedberg Direct is introduced by a Referring Agent that Referring Agent may be provided access to certain personal information about you as well as certain information concerning trading activity in your Friedberg Direct account. In the event that the Referring Agent is appropriately authorized by a regulatory body, you agree that the Referring Agent may be provided with a copy of your application. No Referring Agent will have the right to enter into any trades on your Friedberg Direct account unless specifically authorized

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by you through execution of a limited power of attorney, power of attorney or trading authorization granting the Referring Agent authority to make trading decisions for your account.

29. TRADING AGENTS

29.1 Customer acknowledges that should Customer choose to grant trading authority or control over Customer's account to a third party ("Trading Agent"), whether on a discretionary or nondiscretionary basis, Customer does so at its own risk.

29.2 Customer acknowledges that Friedberg Direct its subsidiaries, affiliates or agents shall in no way be responsible for reviewing Customer's choice of such Trading Agent, or the actions taken by it, nor making any recommendations with respect thereto.

29.3 Customer acknowledges and understands:

- (i) That Friedberg Direct makes no warranties nor representations concerning any Trading Agent,
- (ii) That Friedberg Direct its subsidiaries, affiliates or agents shall not be responsible for any loss to Customer occasioned by the actions of the Trading Agent, and
- (iii) That Friedberg Direct does not, by implication or otherwise, endorse or approve of the operating methods of the Trading Agent.

29.4 If a Customer chooses to grant trading authority or control over Customer's account to a Trading Agent, Customer agrees to enter into a power of attorney agreement, limited power of attorney, power of attorney or trading authorization (defined herein as 'POA') with the Trading Agent to permit same, and to furnish the POA to Friedberg Direct.

29.5 Customer acknowledges that upon receipt of the POA, Friedberg Direct is authorised to follow the instructions of the Trading Agent in every respect until Friedberg Direct is notified in writing by the Customer that the POA is revoked or the POA has expired.

The Customer authorises Friedberg Direct to debit Customer's Account in accordance with the terms agreed between Customer and Trading Agent and which are set out in the POA.

29.6 Customer acknowledges that the Trading Agent and many third party vendors of trading systems, courses, programs, research or recommendations may not be regulated by a government agency. It is the Customer's responsibility to perform necessary due diligence on the Trading Agent prior to using any of their services and to satisfy themselves of its competence and/or suitability to the Customer.

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- 29.7 Customer acknowledges that it or the Trading Agent may elect to use an automated trading system. Customer acknowledges that Friedberg Direct does not take any responsibility for any such system. The Customer is aware of the volume of trading and resulting commissions that such systems may generate and the impact that this may have on the performance of the Account. Customer accepts the risks associated with the use of computers and data feed systems, which may include, but are not limited to, failure of hardware, software or communication lines or systems and/or inaccurate external data feeds provided by third-party vendors and the Customer further agrees to hold Friedberg Direct harmless from any losses in the Account associated with these risks. Customer acknowledges that neither Friedberg Direct nor any of its officers, directors, vendors, employees, agents, associated persons or Friedberg Direct personnel will be liable for any such breakdown or failure.
- 29.8 Customer understands that by using a Trading Agent, Customer may incur a mark-up, above and beyond the ordinary spread generally provided by Friedberg Direct. Details of any such mark-up will be provided in the agreement between the Trading Agent and Customer.
- 29.9 Customer acknowledges that any decisions or actions taken by the Trading Agent on Customer's behalf shall be deemed to have been taken by the Customer and any losses or gains generated by the Trading Agent's action shall be for the Customer's account.
- 29.10 Customer agrees to indemnify and hold Friedberg Direct, harmless from and against all liabilities, losses, damages, cost and expenses, including attorney's fees that arise directly or indirectly from the Trading Agent's management of the account, including, without limitation all actions, instructions or omissions by the Trading Agent.
- 29.11 The Customer acknowledges that the risk factor in trading CFDs including Forex and Options is substantially high, and therefore the Customer further acknowledges that he/she should carefully consider trading through Friedberg Direct, whether through a Trading Agent or otherwise, if the Trader does not have capital she/he can afford to lose.

30. DISCLOSURE OF CUSTOMER INFORMATION

- 30.1 Friedberg Direct will not share or sell information regarding customers and/or prospective customers, except to its employees, agents, partners, and associates as required in the ordinary course of business, including, but not limited to, Friedberg Direct's banking or credit relationships, or to other persons as disclosed in Friedberg Direct's [Privacy Policy](#).
- 30.2 Friedberg Direct may also disclose to federal or state regulatory agencies and law enforcement authorities' information regarding Customer and Customer's transactions in response to a request for such information or in response to a court order or subpoena.

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30.3 Friedberg Direct will share or sell statistical information without disclosing Customer's identity.

31. TERMINATION

31.1 This Agreement shall continue in effect until termination, and may be terminated by Customer at any time upon three days prior written notice (which may be by e-mail) when Customer has no position(s) and no liabilities held by or owed to Friedberg Direct upon the actual receipt by Friedberg Direct at its home office of written notice of termination, or at any time whatsoever by Friedberg Direct upon the transmittal of written notice of termination to Customer; provided, that such termination shall not affect any transactions previously entered into and shall not relieve either party of any obligations set out in this agreement nor shall it relieve Customer of any obligations arising out of any deficit balance.

31.2 Sections 14, 17, 19, 24, 31, 43 shall survive termination of this Agreement for any reason.

32. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

32.1 All copyright, trademark, trade secret and other intellectual property rights and proprietary rights to the Friedberg Direct website in its totality, its contents and any related materials ("Friedberg IP") shall remain at all times the sole and exclusive property of the Friedberg Direct and its licensors and in the case of third party materials available on the Friedberg Direct web site to such third party and Customers shall have no right or interest in the Friedberg IP except for the right to access and use the Friedberg IP as specified herein.

32.2 Customer acknowledges that the Friedberg IP is confidential and has been developed through the expenditure of substantial skill, time, effort and money.

32.3 The Customer will protect the confidentiality of the Friedberg IP and not allow website access to any third party.

32.4 Customer will not publish, distribute, or otherwise make available to third parties any information derived from or relating to the Friedberg IP.

32.5 Customer will not copy, modify, de-compile, reverse engineer, or make derivative works of the Friedberg IP or in the manner in which it operates.

32.6 If Customer has comments on Friedberg Direct's services or ideas on how to improve them, Customer is welcome to contact Friedberg Direct. By doing so, Customer grants Friedberg Direct a perpetual, royalty-free, irrevocable, transferable license, with right of sublicense, to use and

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incorporate Customer's ideas or comments into the Friedberg Direct's services, and to otherwise exploit Customer's ideas and comments, in each case without payment of any compensation.

33. RECORDINGS

- 33.1 Customer agrees and acknowledges that all conversations regarding Customer's account(s) between Customer and Friedberg Direct personnel may be electronically recorded with or without the use of an automatic tone warning device.
- 33.2 Customer further agrees to the use by Friedberg Direct, its subsidiaries, affiliates and agents of such recordings and transcripts as it deems fit in connection with any dispute or legal proceeding that may arise.
- 33.3 Customer understands that Friedberg Direct destroys such recordings at regular intervals in accordance with Friedberg Direct's established business procedures and Customer hereby consents to such destruction.

34. LEGAL RESTRICTIONS

- 34.1 Without limiting the foregoing, Customer understands that laws regarding financial contracts vary throughout the world, and it is Customer's obligation alone to ensure that Customer fully complies with any law, regulation or directive, relevant to Customer's country of residency with regards to the use of the on-line trading platform and Web site.
- 34.2 For avoidance of doubt, the ability to access Friedberg Direct's Web site does not necessarily mean that Friedberg Direct's services, and/or Customer's activities through it, are legal under the laws, regulations or directives relevant to Customer's country of residency.
- 34.3 This Web site does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such an offer or solicitation.
- 34.4 Access to this Web site, and the offering of financial contracts via this site, may be restricted in certain jurisdictions, and, accordingly, users accessing this site are required to inform themselves of, and to observe, such restrictions.

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35. DECLARATION

35.1 By acceptance of this Agreement, Customer hereby declares that the moneys invested in Customer's account with Friedberg Direct do not originate from drug trafficking, abduction, or any other criminal activity.

36. TAX COLLECTION

36.1 You acknowledge that Friedberg Direct makes no representations concerning the tax implications or treatment of trading in CFDs. Friedberg Direct shall not provide any advice to you on any tax issue related to any services provided to you by Friedberg Direct under this agreement. The Client is advised to obtain individual and independent counsel from its financial advisor, auditor or legal counsel with respect to tax implications of the respective services. You are responsible for the payment of all taxes that may arise in relation to its transactions.

36.2 Without limiting the foregoing, it is Customer's obligation alone to calculate and pay all taxes applicable to you in Customer's country of residence, or otherwise arising as a result of Customer's trading activity from the use of the Friedberg Direct's services.

36.3 Without derogating from Customer's sole and entire responsibility to perform tax payments, Customer agrees that Friedberg Direct may make deductions and/or withholdings, as may be required by the applicable law, but is not obligated to do so, from the results of the activity with Friedberg Direct.

36.4 Customer is aware that amounts that may be withdrawn by Customer from Customer's account are "gross amounts", from which Friedberg Direct may deduct such taxes, and that Customer shall have no claim towards Friedberg Direct with regard to such deductions.

37. INACTIVITY AND ADMINISTRATION FEES

37.1 Customer acknowledges that the Customer's trading account may be subject to inactivity fees unless prohibited by law. After 3 consecutive months of non-use ("Inactivity Period"), and every successive Inactivity Period, an inactivity fee will be deducted from the value of the Customer's trading account. This fee is outlined below and subject to client relevant currency based account:

Inactivity Fee:

USD Account: \$50

CAD Account: \$50

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Applicable fees are subject to change periodically.

- 37.2 Customer acknowledges that the Customer's trading account may be subject to an annual administration fee unless prohibited by law. After 12 consecutive months of non-use ("Annual Inactivity Period"), an administration fee will be deducted from the value of the Customer's trading account. This fee is outlined below and subject to client relevant currency based account: This is to offset the cost incurred in making the service available, even though it may not be used.

Administration Fee:

USD Account: \$100

CAD Account: \$100

Applicable fees are subject to change periodically.

38. ACCOUNT PROCEDURES - IDENTIFICATION

- 38.1 Customer acknowledges that applicable laws require securities dealers to obtain, verify, and record information identifying each person who opens an account.

- 38.2 Customer further acknowledges that Friedberg Direct makes efforts to prevent fraud and to confirm Customer's identity.

- 38.3 Accordingly, Customer has provided Friedberg Direct, or shall provide Friedberg Direct promptly following the opening of the trading account, with certain identifying information and documents as shall be requested by Friedberg Direct, including a copy of Customer's ID, a copy of Customer's utility bill (e.g., phone bill, property tax bill), and copies of both sides of Customer's credit card (in the event deposit has been made through credit card) and/or copies of current bank account or other such statements. Customer consents to Friedberg Direct obtaining an Equifax Consumer Report on all applicants for initial account suitability and for secondary ID verification.

- 38.4 Customer confirms that Customer has provided true, accurate, current and complete information during the registration process, and that Customer has not impersonated any person or entity, or misrepresented any affiliation with another person, entity or association, used false headers or otherwise concealed Customer's identity from Friedberg Direct for any purpose.

39. WITHDRAWAL AND DEPOSIT PROCEDURES

- 39.1 Customer further acknowledges and accepts Friedberg Direct's procedures with respect to withdrawals and deposits to accounts as set forth below:

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- (i) Withdrawal orders: The provision of documentation as may be required from time to time by Anti Money Laundering regulations, credit card companies and Friedberg Direct, is a prerequisite, prior to the execution of a withdrawal order.
- (ii) Customer acknowledges that withdrawals may take longer than expected for numerous reasons, some in Friedberg Direct's control and some not.
- (iii) Credit card deposits may be, according to credit card companies' regulations, returned to the same credit card when a withdrawal is performed. A withdrawal to a bank account where initial deposits have been performed by credit cards will be executed back to credit card or to the bank account at Friedberg Direct's discretion. Withdrawals to bank account may take a longer time period, due to additional security procedures.
- (iv) Credit Card Deposits Variance: When choosing an account base currency other than USD, Customer's credit card may be debited sums which due to exchange rates and credit card companies' fees, may slightly vary from the initial sum that has been deposited by Customer in the account base currency. Customer hereby accepts that such variations may occur and hereby affirms that Customer shall not seek to object or charge this back.
- (v) When depositing by a Bank Transfer, as required by anti-money-laundering regulations, Customer is required to use a bank account, which is in Customer's country of residence and in Customer's name. Any withdrawal of funds, from Customer's Friedberg Direct account to a bank account, can only be refunded to the same bank account that the funds were originally received from.
- (vi) Alternative payment methods (internet payment vendors; money transfer services; etc.): when depositing funds using a facility other than credit cards and/or banks, you agree to, and acknowledge being bound by, the regulations and rules of such service, including, but not limited to, fees and other restrictions. Friedberg Direct, at its sole discretion, may execute withdrawals to a facility other than the facility used for the original deposit, in accordance with anti-money-laundering regulations.

40. STATEMENTS

40.1 Customer hereby consents to receive account statements and trade confirmations online.

40.2 Friedberg Direct will provide customer with password-protected access to online reports.

40.3 Customer will be able to generate Daily, Monthly and Annual account statements detailing transaction activity, profit and loss statements, open positions, margin balances, account credits and debits, etc.

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40.4 Hard copies of Monthly customer statements are available upon request only and may incur an additional charge.

40.5 Statements are deemed received when made available or e-mailed to customer by Friedberg Direct, regardless of whether the customer actually accessed the statement.

40.6 Customer is responsible for alerting Friedberg Direct to any change in their e-mail address.

40.7 This consent shall be effective until revoked by customer in writing and received by Friedberg Direct according to Section 16 of this customer agreement.

41. CONSENT TO ELECTRONIC SIGNATURE AND ELECTRONIC TRANSMISSION OF CONFIRMATIONS & ACCOUNT STATEMENTS

41.1 By electronically signing Friedberg Direct's account agreement and related documents, Customer acknowledges receipt of the customer account letter, customer agreement and other documents contained as part of Friedberg Direct's electronic account package and Customer agrees to be bound by their terms and conditions.

41.2 In addition, by signing Friedberg Direct's account agreement and related documents, Customer is consenting to Friedberg Direct maintaining and Customer receiving electronic records of Customer's trades and accounts.

41.3 In order for us to communicate information efficiently and cost effectively, all documents will be provided to you via electronic delivery and in electronic form including the following documents: this agreement and all other required documents including any rates schedules, statements, trade confirmations and if required liquidation notices, margin calls and product offering changes.

41.4 These documents will be delivered to the email address you provide on your application form as an attachment or in the body of the email.

41.5 You should verify the contents of each document received from us as, in the absence of manifest error, they will be conclusive unless you notify us in writing within five (5) business days of receiving a document of any mistake, error or inaccuracy in such document.

41.6 Paper copies of the documents above can be requested by contacting us.

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41.7 If electronic delivery fails you can request the information to be resent via email or request the correspondence in paper format by contacting us.

41.8 It is your responsibility and obligation to ensure that the electronic mail address provided to us (either at account opening or changed subsequently) is correct and remains active and accessible to you at all times.

41.9 Opt Out. You may revoke this consent at any time upon written notice to Friedberg Direct. However, doing so may result in Friedberg Direct being unable to open or maintain your account or to provide services to you. If you do not wish to have account information delivered electronically as described in the foregoing paragraph, you must contact Friedberg Direct via e-mail at: direct@friedberg.ca or send a request to: Friedberg Direct Attention: Compliance, Brookfield Place, 181 Bay Street, Suite 250, Toronto, Ontario M5J 2T3. Please be advised that once Friedberg Direct receives such instruction Friedberg Direct will not be able to service your open and funded accounts that you have.

42. CONSENT TO EXECUTION OF ORDERS OUTSIDE A REGULATED MARKET OR MTF

42.1 Customer hereby acknowledges and consents to Friedberg Direct executing orders over the counter and outside a regulated market or multilateral trading facility (“MTF”).

42.2 The CFD trading you are entering into is not conducted on an exchange. Friedberg Direct is acting as a counterparty in these transactions and, therefore, acts as the buyer when you sell and the seller when you buy. The prices Friedberg Direct offers might not be the best prices available.

43. WAIVER AND AMENDMENT

43.1 Customer understands, acknowledges and agrees that Friedberg Direct may amend or change this Agreement at any time.

43.2 Friedberg Direct will provide notice to Customer of any such amendment or change by posting the amendment or change on Friedberg Direct's website or by sending an e-mail message to Customer at least 7 days before it takes effect.

43.3 Customer agrees to be bound by the terms of such amendment or change on that date.

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43.4 In the event that Customer objects to any such change or amendment, Customer agrees to liquidate Customer's open positions and instruct Friedberg Direct regarding the disposition of all assets in Customer's account within ten (10) business days after notice of the amendment or change has been posted on Friedberg Direct's website or otherwise notified Customer.

43.5 No waiver or amendment of this Agreement may be implied from any course of dealing between the parties or from any failure by Friedberg Direct or failure of Friedberg Direct's agents to assert its rights under this Agreement on any occasion or series of occasions.

43.6 No oral agreements or instructions to the contrary shall be recognized or enforceable.

44. ENTIRE AGREEMENT

44.1 This Agreement together with all references to Friedberg Direct's policies and procedures made in this Agreement, and together with the [Risk Disclosure Statement](#), [Trading Conditions and Charges](#), [Privacy Policy](#), and [Order Execution Policy](#), embodies the entire agreement between Friedberg Direct and the Customer, superseding any and all prior written and oral agreements.

45. ASSIGNMENT

45.1 Customer may not assign or transfer any of its rights or obligations under this Agreement to a third party without the prior written consent of Friedberg Direct. Any attempted assignment or transfer in violation of the foregoing will be void. Friedberg Direct may freely assign this Agreement.

46. GOVERNING LAW AND JURISDICTION AND VENUE

46.1 This Agreement, the rights and obligations of the parties hereto, and any judicial or administrative action or proceeding arising directly or indirectly hereunder or in connection with the transactions contemplated hereby shall be governed by, construed and enforced in all respects in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein, without regard to laws that would otherwise apply under applicable choice of law principles.

46.2 You, in order to induce Friedberg Direct to accept this agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agrees to the following: (a) any judicial, administrative action or proceeding, including, but not limited to, arbitration arising directly or indirectly hereunder or in connection the transactions contemplated hereby, whether brought by you or Friedberg Direct, will be held, at the sole discretion of Friedberg Direct within Toronto, Ontario exclusively. You consent and submit to, and waive any and all objections you may have to such venue, and further agree to waiver and forego any right you may

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have to transfer or change the venue of any action of proceeding encompassed hereby; and (b) you consent and submit to the jurisdiction of any court located within Toronto, Ontario in any action or proceeding arising directly or indirectly or in connection with the transaction hereby, whether brought by you or Friedberg Direct. For the avoidance of doubt, this paragraph will not prevent Friedberg Direct from commencing proceedings in any other relevant jurisdiction. This paragraph is also subject to you or Friedberg Direct's rights under the arbitration program outlined by IIROC.

47. ARBITRATION

47.1 Friedberg Direct is a division of Friedberg Mercantile Group Ltd., which is a member of IIROC. A brochure entitled "Investor Protection for Clients of IIROC Member Firms" will be provided to you upon account opening. This brochure outlines your options should you have a complaint which cannot be resolved by our Compliance Department.

48. INVESTOR PROTECTION FUND

48.1 Friedberg Direct is a division of Friedberg Mercantile Group Ltd., which is a member of the Canadian Investor Protection Fund ("CIPF"). CIPF ensures, within defined limits, that a customer's cash and securities are protected if they are an eligible customer of an investment dealer that is a member of one of CIPF's sponsoring organizations. You can contact CIPF by writing to CIPF, 79 Wellington Street West, Suite 610, PO Box 75, Toronto, Ontario M5K 1E7 or via telephone at 416.866.8366 (or Toll-Free at 866.243.6981) or emailing them at the email address provided on the CIPF website at www.cipf.ca.

49. BINDING EFFECT

49.1 This Agreement shall be continuous and shall cover, individually and collectively, all accounts of Customer at any time opened or reopened with Friedberg Direct irrespective of any change or changes at any time in the personnel of Friedberg Direct or its successors, assigns, subsidiaries, affiliates or agents.

49.2 This Agreement including all authorizations, shall inure to the benefit of Friedberg Direct and its subsidiaries, affiliates, agents, successors and assigns, whether by merger, consolidation or otherwise, and shall be binding upon Customer and/or the estate, executor, trustees, administrators, legal representatives, successors and assigns of Customer.

49.3 Customer hereby ratifies all transactions with Friedberg Direct effected prior to the date of this Agreement, and agrees that the rights and obligations of Customer in respect thereto shall be governed by the terms of this Agreement.

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50. ADDITIONAL RISK DISCLOSURE FOR AVATRADE PLATFORM

In consideration of Friedberg Direct ("we", "our", "us", "Friedberg Direct") agreeing to enter into over-the-counter ("OTC trading") contracts for differences ("CFDs") and Options contracts ("Options") with you and your utilization of the AVATrade Platform (including the MetaTrader or AvaOptions platforms or any other platform powered by AVATrade as referred to herein as the "Trading Platform"), Customer acknowledges, understands and agrees that:

50.1. THIS RISK DISCLOSURE NOTICE FORMS PART OF THIS CUSTOMER AGREEMENT

50.1.1. This notice provides you with information about the risks associated with OTC trading, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in doubt you should seek professional advice.

50.1.2. It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

50.2. APPROPRIATENESS OR SUITABILITY

50.2.1. Subject to our obligation to assess the appropriateness or suitability of OTC Trading for your circumstances, any decision whether or not to open an account, and whether or not you understand the risks is yours.

50.2.2. We may also ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money that you have sent us or your profits and losses are consistent with that information. It is up to you to assess whether your financial resources are adequate and what level of risk you take.

50.3. ONLY INVEST MONEY YOU CAN AFFORD TO LOSE

Do not invest with money you cannot afford to lose. OTC trading carries a high degree of risk and due to fluctuations in value, the customer may not get back the amount invested.

50.4. OTC DERIVATIVES

Positions opened with Friedberg Direct are not traded on any exchange. The prices and other conditions are set by Friedberg Direct, subject to any obligations we have to provide best execution, to act reasonably and in accordance with the customer agreement and our order execution policy. Each OTC trade that you open through the Trading Platform results in you entering into a contract with Friedberg

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Direct; these contracts can only be closed with Friedberg Direct and are not transferrable to any other person or entity. There is no central clearing and no guarantee by any other party of Friedberg Direct's payment obligations to the Customer, thus Customer is exposed to credit risk with Friedberg Direct.

50.5. NO RIGHTS TO THE UNDERLYING INSTRUMENT

CFDs do not provide any right to the underlying instruments, or in the case of CFDs referenced to shares, to voting rights.

50.6. TRADING PLATFORM

50.6.1. The Customer is warned that when trading in an electronic platform he/she assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Customer's devices, software and poor quality of connection;
- Friedberg Direct or Customer's hardware or software failure, malfunction or misuse;
- Improper work of Customer's equipment;
- Wrong setting of Customer's Terminal;
- Delayed updates of Customer's Terminal.

50.7. MAGNIFIED LOSSES

The nature of margin trading markets means that both profits and losses can be magnified.

50.8. POTENTIAL RISKS

50.8.1. Before you open a trade with us we require you to lodge money with us as Initial Margin and, to keep a Transaction open, you must ensure that the amount in your Trading Account exceeds the Maintenance Margin. The Initial Margin will differ between Instruments and the amounts will be indicated on the Trading Platform. This means that you will be trading using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the Initial Margin placed for the trade, but a small price movement against you may result in substantial losses.

50.8.2. We will further require you to ensure that the amount in your Trading Account exceeds the Maintenance Margin to keep a Transaction open. Therefore, if our price moves against you, you may need to provide us with substantial additional Margin, at short notice, to maintain your open trades. If you do not do this, we will be entitled to close one or more or all your trades. You will be responsible for any losses incurred.

50.8.3. You should also be aware that under our Customer Agreement we are entitled, at our sole discretion, to make a Margin Call. Under the Customer Agreement, you are required to satisfy any

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Margin Calls immediately, by any applicable means in the time prescribed by us. If you do not do this, we will be entitled to close one, or more, or all your trades.

50.8.4. At Expiration, Options that are in the money will be automatically closed out at intrinsic value, that is, in the case of Call Options, the amount by which the closing price of the specified FX/CFD exceeds the strike price, and in the case of Put Options, the amount by which the Strike exceeds the closing price of the specified FX/CFD. For long Call and short Put positions, the closing price will be the prevailing bid price of the underlying FX/CFD at Expiration; and for short Call and long Put positions, the closing price will be the prevailing ask (offer) price of the underlying FX/CFD, as determined by Friedberg Direct in its sole discretion. Options that are not in the money will expire worthless.

50.8.5. Friedberg Direct quotes variable spreads on Options. Variable option spreads are affected by actual market conditions, which are beyond our control. Friedberg Direct does not guarantee any maximum or minimum quotable option spreads. There may be times when Options quotes are not available in some underlying assets.

Risks Related to Long CFD positions

50.8.6. Being long means you speculating that the market price of the underlying will rise between the time of the open and close of the position. As holder of a long position, you will generally make a profit if the market price of the underlying rises whilst your long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

Risks Related to short CFD positions

50.8.7. Being short means, you are speculating that the market price of the underlying will fall between the time of the open and close of the position. As holder of a short position, you will generally make a profit if the market price of the underlying falls whilst your short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

50.9. FLUCTUATIONS IN THE MARKET

50.9.1. It is important that you comprehend the risks associated with trading on a market as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.

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50.9.2. Slippage is the difference between the expected price of a Transaction, and the price the Transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

50.10. ABNORMAL MARKET CONDITIONS

The Customer acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

50.11. NEED TO MONITOR POSITIONS

Because of the effect of leverage and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. It is your responsibility to monitor your trades.

50.12. OPERATIONAL RISKS

50.12.1. Operational risks with Friedberg Direct on your computer are inherent in every OTC transaction. For example, disruptions in Friedberg Direct's operational processes such as communications, computers, computer or mobile networks or external events may lead to delays in the execution and settlement of a transaction. Friedberg Direct does not accept or bear any liability whatsoever in relation to the operational processes of Friedberg Direct, except to the extent that it is caused by the fraud, negligence or dishonesty by Friedberg Direct.

In connection with the use of computer equipment and data, the Customer bears the following risks amongst other risks, in which cases Friedberg Direct has no liability of any resulting loss:

- Power cut of the equipment on the side of the Customer or the provider, or communication operator (including voice communication) that serves the Customer;
- Physical damage (or destruction) of the communication channels used to link the Customer and provider (communication operator), provider, and the trading or information server of the Customer;
- Outage (unacceptably low quality) of communication via the channels used by the Customer, or Friedberg Direct or the channels used by the provider, or communication operator (including voice communication) that are used by the Customer or Friedberg Direct;
- Wrong or inconsistent with requirements settings of the Customer Terminal;
- Untimely update of the Customer Terminal;
- The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Customer from Friedberg Direct;

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- Upon confirmation of an order placed over the telephone, Customer has bought or sold and cannot cancel the Market Order. By placing a Market Order over the telephone, Customer acknowledges and agrees to such immediate execution and accepts the risk of this immediate execution feature; and
- Malfunction or non-operability of the Platform, which also includes the Customer Terminal.

50.12.2. The Customer may suffer financial losses caused by the materialization of the above risks, Friedberg Direct accepting no responsibility or liability in the case of such a risk materializing and the Customer shall be responsible for all related losses he/she may suffer.

50.13. QUOTING ERRORS

Should a quoting error occur Friedberg Direct is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by Friedberg Direct in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices we have posted on our screen, we will attempt, on a best efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer statements.

This may or may not adversely affect the Customer's realized and unrealized gains and losses.

50.14. COMMUNICATION BETWEEN THE CUSTOMER AND FRIEDBERG DIRECT

50.14.1. The Customer shall accept the risk of any financial losses caused by the fact that the Customer has received with delay or has not received at all any notice from Friedberg Direct.

50.14.2. The Customer acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

50.14.3. Friedberg Direct takes no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between Friedberg Direct and the Customer or when using the internet or other network communication facilities, or any other electronic means.

50.15. FORCE MAJEURE EVENTS

15.1. In case of a Force Majeure Event Friedberg Direct may not be in a position to arrange for the execution of Customer Orders or fulfil its obligations under the agreement with the Customer. As a result the Customer may suffer financial loss.

GENERAL TERMS & CONDITIONS

15.2. Friedberg Direct will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the User Agreement where such failure, interruption or delay is due to a Force Majeure event.

50.16. CURRENCY RISK

Customers should be aware that OTC trades denominated in a currency other than their home currency have the additional risk associated with currency fluctuations.

50.17. NON ADVICE AND RECOMMENDATIONS

50.17.1. When placing Orders with Friedberg Direct, Friedberg Direct will not advise the Customer about the merits of a particular Transaction or give him any form of investment advice and the Customer acknowledges that the Services do not include the provision of investment advice in OTC trades or the Underlying Markets. The Customer alone will enter into Transactions and take relevant decisions based on his/her own judgement. In asking Friedberg Direct to enter into any Transaction, the Customer represents that he/she has been solely responsible for making his/her own independent appraisal and investigation into the risks of the Transaction. He/She represents that he/she has sufficient knowledge, market sophistication, professional advice and experience to make his/her own evaluation of the merits and risks of any Transaction. Friedberg Direct gives no warranty as to the suitability of the products traded under this Agreement and assumes no fiduciary duty in its relations with the Customer.

50.17.2. Friedberg Direct will not be under any duty to provide the Customer with any legal, tax or other advice relating to any Transaction. The Customer should seek independent expert advice if he/she is in any doubt as to whether he/she may incur any tax liabilities. The Customer is hereby warned that tax laws are subject to and may change from time to time.

50. 18. TAXES

50.18.1. There is a risk that the Customer's trades in any Financial Instruments may be or become subject to tax and/or any other duty for example, due to changes in legislation or Customer's personal circumstances. Friedberg Direct does not offer tax advice.

50.18.2. The Customer is responsible for any taxes and/or any other duty which may accrue in respect of his/her trades.

50.19. NEWSLETTERS

50.19.1. Friedberg Direct may, from time to time and at its discretion, provide the Customer (or in newsletters which it may post on its Website or provide to subscribers via its Website or the Trading Platform or otherwise) with information, news, market commentary or other information but not as a service. Where it does so:

GENERAL TERMS & CONDITIONS

Friedberg Direct will not be responsible for such information

- Friedberg Direct gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
- this information is provided solely to enable the Customer to make his/her own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Customer;
- if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Customer agrees that he/she will not pass it on to any such person or category of persons; e) the Customer accepts that prior to dispatch, Friedberg Direct may have acted upon it itself to make use of the information on which it is based. Friedberg Direct does not make representations as to the time of receipt by the Customer and cannot guarantee that he/she will receive such information at the same time as other Customers.

50.19.2. It is understood that market commentary, news, or other information provided or made available by Friedberg Direct are subject to change and may be withdrawn at any time without notice

50.20. NO GUARANTEES OF PROFIT

Friedberg Direct provides no guarantees of profit nor of avoiding losses when trading. Customer has received no such guarantees from Friedberg Direct or from any of its representatives. Customer is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.

CUSTOMER ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THE FOREGOING CUSTOMER AGREEMENT AND HEREBY AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS HEREOF.