

AGREEMENT FOR LIMITED MARGIN & OPTIONS CAPABILITIES

This Agreement for Limited Margin and Options Privileges ("Limited Margin Agreement") provides you with the terms and conditions under which your broker ("Introducing Broker") engages RQD* Clearing, LLC ("RQD") to provide limited margin services and options trading to the undersigned customer ("you" or "your") in your limited margin account at RQD. "Options", as used herein, shall mean all types of options and options contracts, including puts, calls, equity, debt, index or otherwise.

This Limited Margin Agreement shall be in addition to, and read in conjunction with, the new account application, the IRA Agreement, the Options Agreement, and all other agreements as applicable (individually and collectively, the "Customer Agreements") governing your account(s) at RQD and with Introducing Broker. In the event of any inconsistency between this Limited Margin Agreement and the Customer Agreements, the Limited Margin Agreement shall control.

1. Eligibility, Rules, and Limitations

- You may not open multiple Limited Margin accounts of the same type.
- You must meet RQD's minimum account equity requirement of \$2,000* for either limited margin or options trading, including options trading in your account. This equity can include cash, marginable security positions, or a combination of these.
- If you engage in pattern day trading in your account, you will be subject to the \$25,000 Pattern Day Trader minimum equity requirement.
- RQD or Introducing Broker may, in their sole discretion, remove the limited margin and/or option trading feature from your account at any time and without providing notice to you.
- If your account equity or cash balances drop below the minimum, immediate deposit, sale of sufficient securities, or transfer of sufficient assets to satisfy the minimum is required.
- You may not use margin in your account to borrow funds or maintain a debit balance in your account.
- If you have margin activity, it will be reflected on your statements. No margin interest will be charged because the limited margin feature does not support margin borrowing.
- Neither RQD nor Introducing Broker recommend any transaction or investment strategy in connection with your limited margin account or trading in the limited margin account.
- RQD and Introducing Broker do not give tax advice. Please consult with your own tax advisor as there may be tax consequences for you under IRS rules relating to your limited margin account.
- Securities regulations require that options trading occur in a margin account. Your limited margin account will be subject to a combination of cash and margin account regulations, including Federal Reserve Board Regulation T and various Self-Regulatory Organization regulations applicable to margin. All transactions shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market and its clearing house, if any, upon which such transactions are executed, except as otherwise specifically provided in this Limited Margin Agreement.
- Your limited margin account must be approved for limited margin and options trading.
- You must maintain a cash balance equal to or greater than the requirement to exercise the options in your limited margin account on the last day prior to expiration. RQD or Introducing Broker may close your position, in their sole discretion, without notice if you do not meet the requirements for options exercise or assignment.
- RQD may, in its sole discretion, close your position without notice if you fail to meet the requirements for a spread or any other position in your account.
- Cash-Settled Indexes with American-style expiration are not eligible for spread options trading in your limited margin account. Vertical spreads on Cash-Settled Indexes with European-style expiration may be permitted.
- Cash-Settled Indexes are not eligible for calendar spreads trading in a limited margin account (regardless of expiration style).
- You may not short stock or sell naked (uncovered) options.
- Cash-secured put writing is permitted. The strategy will restrict cash in your account in an amount that would cover the full purchase price of any shares resulting from an options assignment.
- RQD, where necessary in RQD's sole discretion, may liquidate or cover positions in your account held at RQD.
- You agree and authorize RQD to act upon any instruction from the Introducing Broker relating to the account, including limited margin capabilities.

*Special minimums supersede published retail minimums.

2. Authorization and Acceptance of Risks By applying to add limited margin and spread options trading to your limited margin account, you represent that you: •

- Understand the risks and potential tax consequences that come with using margin and options trading in your account;
- Are financially able to withstand trading losses and the loss of your entire investment, and the potential tax consequences associated with using margin and/or options trading in your account;
- Understand that limited margin trades require cash up front. If you pledge any part of your limited margin account as security for a loan, the part you pledge may be treated as a "deemed" distribution to you;

- Confirm you have determined either on your own or with the help of a professional tax advisor that, if your account is an IRA, engaging in limited margin and options trading in your limited margin account will not result in a prohibited pledge of the assets of your account and therefore will not result in a deemed distribution from your IRA;
- Understand that if a short position or debit balance in the margin portion of your limited margin account cannot be covered with assets in your IRA, adverse tax consequences may occur;
- Have determined that limited margin and/or options trading is suitable for you, in light of your financial situation and needs, experience and knowledge, investment objectives, retirement goals and resources, and other relevant circumstances;
- Agree to immediately notify your Introducing Broker of any changes in your circumstances that may affect the suitability of executing options transactions in your limited margin account or that may affect any of the representations you have made to either RQD or your Introducing Broker;
- Agree neither RQD nor Introducing Broker has solicited or recommended that you engage in limited margin and/or options trading in your limited margin account; and
- Warrant and covenant that, if the account is an IRA, is not subject to the Employee Retirement Income Security Act of 1974, as it may be amended, and you will not engage in any prohibited transactions in the IRA.

3. Acknowledgment of Risks of Options and Options Spreads

While options and options spreads can be considered an approach to reduce trading risks, severe consequences can result from executing options in your limited margin account. Some, though not all, of the risks that you should consider before trading options or options, including options spreads include:

- **Exercise Notice**

You acknowledge that you are aware of RQD's requirements and time limitations for accepting an exercise notice and expiration date and agrees that RQD may not receive actual notice of exercise until the week following exercise. You take full responsibility for taking action to exercise, cover, or sell valuable options; however, in the absence of notifying your Introducing Broker to exercise an options contract by 4:20 p.m. Eastern Time, or other such time as determined by RQD and/or the U.S. options exchanges on the last business day prior to the expiration date of the options contract, and the Introducing Broker in turn instructing RQD to sell options on your behalf within such time, RQD may exercise the options contract on your behalf. In the event of such exercise, the profit in excess of commission costs created thereby will be credited to your account. In the event that the commissions to be charged for such an expiration transaction exceeds the proceeds to be realized, you agree and hereby relinquish your ownership in said options to RQD, and RQD may exercise such options for its own account. If you do not instruct your Introducing Broker to exercise the valuable options by the time stated above, and RQD for whatever reason, does not exercise such option on, you hereby waive any and all claims for damage or loss which it might at the time or any time thereafter have against allocation for all option(s) assignments received from the Option Clearing Corporation.

- **Early Exercise and Assignment Can Create Risk and Loss Options**

Options are subject to early exercise or assignment. All American-style short option positions may be assigned at any time. RQD allocates exercise assignment notices among customer short positions according to an automated procedure. This procedure randomly selects from among all customer short option positions (including positions established on the date of assignment) those contracts that are subject to exercise. You acknowledge that the assignment process may result in multiple partial assignments and/or multiple transactions to fulfill a single assignment, and a separate commission charge will apply to each partial assignment or transaction needed to complete an assignment. These early assignments can remove the protection that you may have been seeking and lead to money due and/or greater losses than anticipated when you entered the trade. In cases where exercise or assignment results in money due or a disallowed short equity position in your limited margin account, or has the potential to create such a condition in your IRA, by entering into this Limited Margin Agreement you authorize RQD or Introducing Broker to take such actions as may be necessary with respect to your account to manage risk. These actions may include, without limitation, exercising or entering "Do Not Exercise" instructions for the long side of the spread, selling the long side of the spread, buying to close the short side of the spread, closing other option or equity positions in your account to generate sufficient cash to cover any potential deficit condition, including to generate sufficient cash to buy to close any short equity position, or taking other actions as may be necessary. For more information, see Section 5 titled "**Margin Terms and Disclosure of Credit Policies for Margin Accounts Within IRAs.**"

- **Execution of Spread Orders Is Often "Not Held" and at the Discretion of the Marketplace**

Because options spreads are a combination of standardized put and call contracts, they have no benchmarks such as "time and sales" or "NBBO" (National Best Bid/Offer); therefore, the "market" cannot be "held" to a price.

- **Spread Pairing**

When you establish a spread position, the purchased option is required to expire on the same or later date than the option sold. When there is more than one possible way to pair available options in your limited margin account, RQD's systems determine spread pairings and may not pair options in a manner that produces the lowest possible margin or equity requirements (hereinafter referred to as either "margin requirements" for standard margin accounts or "equity requirements" for IRA-margin or cash accounts).

- **Spreads Are Bona-Fide Trades and Not "Legged" or "Paired" Individual Separate Trades**

Consolidated quotes may be confusing when trading options spreads. An option may be offered on one exchange and bid on another exchange, which can lead the investor to believe that a spread order should be filled, when, in fact, the bids and offers must be on the same exchange. All bona-fide spreads are routed and executed on "one" exchange.

4. Acknowledgment of Tax Risks in Using Margin in Your IRA to Execute Options

- **Pledging Account as Security**

Under Section 408(e)(4) of the Internal Revenue Code, if you use your IRA or any portion thereof as security for a loan, the portion so used is treated as distributed to you. You should consult with a professional tax advisor to determine whether establishing the IRA-margin feature or trading options will trigger a taxable distribution. In addition, if there is an actual extension of credit as a result of the margin account (e.g., failure to pay for trades by settlement, or failure to promptly close any short equity position resulting from options exercise or assignment), RQD or Introducing Broker may be required to report the loan as a taxable distribution from your IRA.

- **Deemed Distributions and Withholding**

Deemed distributions from an IRA are subject to the same withholding requirements that apply to regular distributions—10% withholding on the taxable portion. In the event of a deemed distribution as a result of the margin account, the IRA owner elects out of income tax withholding. However, you remain liable for the tax to the IRS and any applicable state taxing authorities. Account holders under age 59½ may also be subject to a 10% early withdrawal penalty. Should there be a deemed distribution, RQD will be required to report the deemed distribution to the IRS on Form 1099-R. You will also have an obligation to report any taxable distributions to the IRS.

- **Deemed Contributions**

Deemed contributions may arise where there are failed margin calls, for example. RQD will be required to report on Form 5498 any deemed contributions to the IRA. In addition, deemed contributions may also subject you to a 6% excise tax.

- **Unrelated Business Income Tax (UBIT)**

IRAs are subject to UBIT. Income attributable to debt actually incurred by your IRA is likely to be taxable to the IRA at your individual tax rate.

- **Limits on Additional Contributions**

Trades requiring margin, may require a deposit of additional funds to your account to maintain sufficient margin. However, the Internal Revenue Code places restrictions and limits on the amount of funds that can be deposited to an IRA. Deposits to the account in excess of such limits may cause adverse tax consequences.

5. Margin Terms and Disclosure of Credit Policies for Limited Margin Accounts

- **Payment for Transactions**

When you execute options in the margin portion of your limited margin account, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. By entering into this Limited Margin Agreement, you authorize RQD or Introducing Broker to liquidate at any time (including on or before the settlement date) in order to maintain required equity levels or mitigate risk. You agree to contribute to your limited margin account as required to pay any debit remaining. You understand that such a contribution could have adverse tax consequences for you. Options transactions are settled on the first business day after the day your order is executed. RQD may decline to accept your order to purchase options contracts if there are not sufficient cleared funds (that is, funds on which no holds or other restrictions are imposed) available in your limited margin account to pay the purchase price, if you do not have sufficient equity in your limited margin account to meet equity requirements or for other reasons subject to our discretion. In all cases, options must be settled on the first business

day after the day your order is executed, and it is your responsibility to deposit necessary funds and maintain sufficient equity in your limited margin account.

- **Maintenance of Collateral**

You represent that options in your limited margin account will not require collateral or result in liabilities or obligations in excess of the value of the assets in your limited margin account. You agree that a sufficient cash balance will be available in your limited margin account to cover any potential exercise or assignment arising from any options; and if an exercise or assignment creates a short position or debit balance in the margin portion of your limited margin account, the deficit condition will be covered immediately with assets in your limited margin account. You understand that amounts available for purchases within your limited margin account may be limited due to amounts needed to satisfy minimum equity requirements.

- **Liquidation**

If you do not maintain enough equity in your limited margin account to secure your options obligations adequately, or if you do not satisfy, in a timely manner, any money or collateral call (relating to settlement of a trade or otherwise), RQD may, without prior notice, take any action with respect to, and for, your limited margin account that RQD, in the exercise of its reasonable discretion, considers necessary for its protection. Holders of long options in an limited margin account must have a cash balance equal to or greater than the requirement to exercise the options in the account on the last trading day prior to expiration or RQD may close out the position in the open market on a "best-effort" basis prior to the market close.

Whenever it is necessary for RQD's or the Introducing Broker's protection or to satisfy a deficiency, debit or other obligation owed RQD, RQD may sell, assign and deliver all or any part of the securities and other property in your limited margin account securing your obligations, or close any or all transactions in your limited margin account. With respect to your options transactions associated with your limited margin account, RQD will not seek collateral from any of your other accounts as security for your obligations in your limited margin account.

RQD or Introducing Broker may attempt to contact you, when practicable, before taking the actions described in this section by sending you a margin call or money due notice (hereinafter referred to as either a "margin call" for standard margin accounts or a "money due notice" for all margin, limited margin, and cash accounts). However, RQD and Introducing Broker reserve the right to take any such action without prior notice or demand for additional collateral, and free of any right of redemption. Any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

RQD may choose which securities or other property in your limited margin account to buy or sell, which transactions to close, and the sequence and timing of liquidation. RQD may take such actions on whatever exchange or market and in whatever manner that RQD chooses in the exercise of its reasonable judgement. You agree not to hold RQD or Introducing Broker liable for the choice of which securities or other property to buy or sell, or of which transactions to close, or for the timing or manner of the liquidation.

You agree to pay on demand any account deficiencies after liquidation, whether liquidation is complete or partial. You are responsible for monitoring the status of your account, for ensuring that sufficient collateral is maintained in the account and for liquidating positions to minimize losses. Any action RQD takes or does not take to issue a money due notice or liquidate collateral is undertaken solely to protect our interest as a creditor. You agree that RQD does not have any responsibility to issue a margin call, to liquidate positions in your account or to select the securities to be liquidated or the manner or timing of the liquidation in order to prevent or minimize losses to you.

- **Short Sales and Other Borrowing.** RQD will not permit the borrowing of funds or the ability to have a debit balance in your limited margin account. You may not sell stock short or sell naked (uncovered) options.
- **Interest on Debit Balances.** Debit balances are not permitted in your limited margin account. No other interest will be charged.

6. Release and Indemnification of RQD and Introducing Broker

You agree that neither RQD nor Introducing Broker, or any of their officers, directors, employees, agents or representatives will have any liability for any consequential, incidental, special, exemplary, punitive or any other damages with respect to your decision to engage in options trading or in limited margin trading in your limited margin account.

To the extent permitted by law, you agree to indemnify RQD, Introducing Broker, and each person named above from any and all liability or responsibility for any and all claims of whatever nature, losses, costs, charges, fees, expenses, penalties and damages in any way arising from or as a result of RQD's or Introducing Broker's effecting and/or executing any options or limited margin transactions in your limited margin account, or the failure or breach at any time of any representation, warranty, or covenant made by you in this Limited Margin Agreement. You agree that you will not hold RQD or Introducing Broker

responsible for any penalties or adverse tax consequences the limited margin account or that you may incur in connection with transacting in or holding options in the limited margin account.

Neither RQD nor Introducing Broker shall be liable for losses caused directly or indirectly by any events beyond its reasonable control, including without limitation, government restrictions, exchange or market rulings, suspension of trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war, pandemics, or strikes. RQD may transfer the accounts of your successors and assigns. This Limited Margin Agreement shall be binding upon you and your heirs, executors, administrators, successors and assigns of you.

Failure to insist on strict compliance with this Limited Margin Agreement is not considered a waiver of RQD's rights under this Limited Margin Agreement. At RQD's discretion, it may terminate this Limited Margin Agreement at any time on notice to you and you will continue to be responsible for any obligation incurred by you prior to termination. You may not assign your rights or delegate your obligations under this Limited Margin Agreement, in whole or in part, without RQD's prior consent.

7. Limited Margin Account Risk Disclosure

When considering the use of a limited margin account, you should determine how the use of margin fits your own investment philosophy. Because of the risks involved, it is important that you fully understand the rules and requirements involved in trading Options Spreads and/or limited margin. The following paragraphs highlight some of these important aspects of limited margin trading:

Margin trading increases your level of market risk. Since options are a derivative instrument, margin trading of options increases your potential market exposure by allowing you to purchase or write options contracts on a greater amount of securities with your investing dollar. Therefore, your exposure to market volatility increases—a volatile market could result in even greater losses. A decline in the value of positions that you open using margin may require you to provide additional funds to RQD in order to avoid the forced sale or buyback of those positions or other positions in your account.

Your downside is not limited to the current equity value in your margin account. If the positions in your account decline in value, so does the value of your account equity. When the value of your account equity falls below the maintenance equity requirements, or RQD's higher "house" requirements, RQD can move to protect its position. To cover maintenance equity deficiencies, RQD may issue you a money due notice—a request for additional cash—or sell or buy back positions in your account. If a sale or buyback does not cover the deficiency, you will be responsible for any shortfall.

RQD may initiate the sale or buyback of any positions in your account, without contacting you, to meet a money due notice. For a maintenance equity deficiency, market conditions may require the firm to quickly sell or buy back any of your positions without your consent. Because the positions are equity to meet the maintenance equity requirements, RQD has the right to decide which positions to sell or buy back in order to protect its interests. Even if RQD has contacted you and provided a specific date by which you can meet a money due notice, RQD can still take necessary steps to protect its financial interests, including immediately selling or buying back the positions without prior notice to you. RQD's "house" initial and maintenance equity requirements may exceed those established by the Federal Reserve Board and/or the Financial Industry Regulatory Authority (FINRA). Please call your Introducing Broker for current initial and maintenance equity requirements. RQD may change its initial equity requirements at any time and without prior notice. RQD may also impose at any time and without prior notice more stringent requirements on positions that in our sole discretion involve higher levels of risk; for example, higher limits may apply for thinly traded, speculative, or volatile securities, or concentrated positions of securities.

RQD may increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice. Changes in RQD's policy regarding "house" maintenance equity requirements often take effect immediately and may result in the issuance of a maintenance money due notice. Your failure to satisfy the money due notice may cause RQD to liquidate, buy back or sell positions in your account. RQD retains absolute discretion to determine whether, when, and in what amounts we will require additional equity. For example, RQD may require additional equity if an account contains only one position or a large concentration of one or more positions; if an account contains low-priced, thinly traded, or volatile securities or derivatives; or if some of your equity is or becomes restricted, nonnegotiable or non-IRA-margin-eligible. RQD may also consider market conditions, your financial resources, or other factors deemed by us to be relevant given the circumstances at the time.

You are not entitled to an extension of time on a money due notice. While an extension of time to meet equity requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

8. Acceptance of Supplemental Terms and Tax Withholding Election

By signing this Limited Margin Agreement, you acknowledge that you have received and read a copy of the attached (1) Acknowledgement of Risks of Options and Options Spread Trading ("Options Acknowledgement"), (2) Margin Risk Disclosure Statement, and (3) Day Trading Risk Disclosure Statement. You acknowledge and agree to be bound by the terms of this Limited Margin Agreement and the Customer Agreements.

You agree that no provision of this Limited Margin Agreement can be amended or waived except in writing signed by an authorized representative of RQD. You agree that RQD may at any time, and in its sole discretion, cease to permit limited margin and/or option trading in your limited margin account without providing advance notice to you. You further agree that RQD may amend the terms of this Limited Margin Agreement at its discretion.

If your limited margin account is an IRA, deemed distributions from your account will generally be subject to federal (and possible state) income tax. By signing this form, you elect to not have federal or state income tax withheld. You understand that you will be liable for payment of federal and state income taxes on the taxable portion of any deemed distribution. You may also be subject to tax penalties under the estimated tax payment rules if your withholding and payment of estimated tax, if any, are not adequate.

9. Miscellaneous

- This Limited Margin Agreement shall be subject to the Arbitration provisions specified in the Customer Agreements and you acknowledge the Customer Agreements shall control in such respect.
- You authorize RQD, in RQD's discretion, should RQD for any reason deem it necessary for RQD's or the Introducing Broker's protection, to request and obtain a consumer credit report for you.
- By signing this Limited Margin Agreement or by selecting the "check box(es)" indicating that you "acknowledge that you read and understand and agree", to this and any subsequent agreement, you are signing the indicated agreement electronically. You agree your electronic signature is the legal equivalent of your manual signature on this Limited Margin Agreement. By selecting the aforementioned "check box(es)" you consent to be legally bound by the indicated agreement's terms and conditions. You further agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action, or to otherwise provide RQD, including its parents, subsidiaries, officers, directors, employees, agents and affiliates (collectively "RQD") instructions to transact on your behalf, and/or in accessing or making any transaction regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes your signature (hereafter referred to as "E-Signature"), acceptance and agreement as if actually signed by you in writing. You also agree that no certification authority or other third-party verification is necessary to validate your E-Signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and RQD. You also represent that you are authorized to enter into this Limited Margin Agreement for all persons who own or are authorized to access any of your Accounts and that such persons will be bound by the terms of this Limited Margin Agreement. You further agree that each use of your E-Signature in obtaining any services offered by RQD constitutes your agreement to be bound by the terms and conditions of each and every one of your agreements with RQD. This includes, but is not limited to, your valid and binding arbitration agreement with RQD.

This Agreement incorporates the pre-dispute arbitration clause starting on page 4 of the Customer Agreement.

CUSTOMER APPROVAL

Customer Signature _____

Customer Name _____

Date _____

OFFICE USE ONLY CHARACTERISTICS AND RISK OF STANDARD OPTIONS DISCLOSURE DELIVERY DATE

INTRODUCING BROKER'S APPROVAL

Registered Representative _____

Name _____

Signature _____

Date _____

Options Principal _____

Name _____

Signature _____

Date _____