

CLIENT RELATIONSHIP DISCLOSURE

As a registered investment dealer and a Dealer Member of the [Investment Industry Regulatory Organization of Canada](#) (“IIROC”), **OTT Financial Canada Inc. (“OTT”)** and its representatives are committed to dealing with clients fairly, honestly, and in good faith. We also believe the best way to serve you is to offer a clear understanding of our products and services, how your account operates, and our mutual responsibilities.

1. Introducing Broker / Carrying Broker Disclosure

OTT is an introducing broker to **Questrade, Inc. (“Questrade”)**, an IIROC Dealer Member. As introducing broker, OTT is responsible for introducing you to the products and services of your carrying broker, approving and supervising your account, as well as supervising its Investment Representatives who service your account. As your carrying broker, Questrade is responsible for the execution and clearing of your trades, custody of your assets, margin financing and enforcement, record-keeping as well as client and regulatory reporting.

2. Our Products and Services

OTT offers you online, order-execution only trading services in over-the-counter (OTC) derivatives that include currencies, commodities and financial indices. These OTC derivatives contracts are collectively known as Contracts for Difference (“CFDs”).

3. Meaning of Terms

3.1 Order-Execution Only

Once OTT has approved your account and you begin trading, your carrying broker will execute your orders but you are responsible for your own trading decisions as well as any resulting profit or loss. Neither OTT nor your carrying broker will provide you with any trading recommendation or advice.

3.2 Over-the-Counter

This means that the products available for trading are not traded on, or cleared through, a regulated exchange like the NYSE or the TSX. In such OTC transactions, your carrying broker is the counterparty to your trade.

3.3 Contracts-for-Difference

CFDs are financial derivatives contracts valued according to the price of the underlying asset, which can be a currency, commodity or an index. These contracts confer no right, and impose no obligation on you or the dealer to make or take delivery of the underlying asset.

As an example: if you sell 1,000 barrels of U.K. Crude, you have no obligation under the contract to deliver, and the dealer has no right to demand delivery of, the physical product.

Provided you have sufficient margin deposit in your account to open the trade and maintain the position, you have the right to keep the trade open for as long as you wish (subject to contract expiration where applicable), or close the trade at any time, when trading is available, and realize the profit or loss which is the difference between the opening and closing price of the contract.

4. Your Account

4.1 Account Type

At OTT we open individual accounts, joint accounts and corporate accounts. You can fund your account with either Canadian dollars or U.S. dollars.

4.2 Margin Account

Your account operates on margin and a small margin deposit will allow you control over a contract of greater value. This may work for you, as well as against you. The margin requirement of each product is posted on the trading platform. Make sure you understand the risks of trading on margin by reading our risk disclosures.

[Risk Information Document for Derivatives](#)

[High Risk Investment Notice for OTC Derivatives](#)

[Margin Risk Disclosure](#)

4.3 Access to Your Account

You can access your account online 24 hours a day, 5 days a week between 5:00pm Sunday and 5:00pm Friday (ET), to review your account status including open positions, transaction history, and active orders, etc.

5. Know-Your-Client and Suitability

5.1 Initial Suitability Assessment

As an IIROC Dealer Member OTT is required to comply with its know-your-client (KYC) and client suitability obligations. When you open an account, you are asked to provide us with your KYC information on the New Account Application Form (NAAF) so we can establish your identity, understand your investment objectives and risk tolerance, and assess whether trading in OTC derivatives or CFD Trading is suitable for you. This suitability assessment will also help us approve your Risk Capital Limit both during and subsequent to the account opening process as part of our supervisory responsibility.

To assess your suitability for trading OTC derivatives, we will review your personal information (age, occupation, etc.) and financial information (income, liquid worth, etc.) as well as your investment knowledge and trading experience.

You will have access to your KYC information documented at the time of account opening. You are reminded to update us with any material changes to either your personal or financial information by completing the [Client Information Update](#) form available from our website.

5.2 No Suitability Review of Trades

You should note that our suitability obligation to you is an “initial suitability assessment” which we perform to determine if CFD Trading is suitable for you during the account opening process. After the account is opened, our responsibility to you is to accept your orders for execution and neither OTT nor your carrying broker will perform any suitability review of your orders or trades in accordance with the No Suitability Review Disclosure.

5.3 Autochartist

Autochartist is an automated technical analysis tool for financial markets that you can access from the trading platform. The Autochartist service is provided by a third party from our carrying broker; and its content should not be construed as advice, trading recommendation or solicitation to invest or trade in securities or derivatives.

There are potential risks related to investing and trading. Trading securities or derivatives, particularly on margin, carries a high degree of risk and is not suitable for all investors. You must be aware of and familiarize yourself with such risks. You are responsible for conducting your own due diligence and seeking independent advice to determine whether trading on margin is suitable for you.

You should not trade with money that you cannot afford to lose. Past results are not indicative of future performance. No representation is being made that any results discussed within the service and its related media content will be achieved. All opinions, news, research, analyses, prices or other information is provided as general market commentary and not as investment advice.

Autochartist, MDIO Software, their members, shareholders, employees, agents, representatives and resellers do not warrant the completeness, accuracy or timeliness of the information supplied, and they shall not be liable for any loss or damages, consequential or otherwise, which may arise from the use or reliance on the Autochartist service and its content.

5.4 Monitoring Risk Capital Limit

In order for OTT to ascertain your account opening suitability, you must provide a Risk Capital Limit (subject to the approval of an OTT Supervisor) which will determine the sum of all permitted deposits to your Account. Your Risk Capital Limit is the amount of risk capital that you can afford to lose in CFD Trading that will not impact your present financial well-being or future retirement plan. OTT will monitor your cumulative deposits against your Risk Capital Limit approved at the time when your account is opened.

A deposit that exceeds your Risk Capital Limit will be rejected unless your request for a limit increase has been approved by OTT. **You should note that your possible losses from CFD Trading are not limited to your stated Risk Capital Limit.**

You may separately request an increase to your Risk Capital Limit, at which time OTT will assess your suitability for assuming additional risk, taking into account your KYC information in the New Account Application Form, any additional information you may provide in the [Client Information Update](#) form and the profit/loss in your account.

5.5 Client Communication

You will have access to detailed account reports directly from the trading platform that can be customized to your specifications. When configured as a daily report, the portfolio report will provide you with a confirmation of every executed order over the preceding 24-hour period ending at 5:00pm ET when markets are open. All executed orders are also confirmed immediately on your trading platform.

The daily report will display all executed trades, open trades, rollover fees and other important details about your account such as cash balance, equity, realized and unrealized profit or loss, etc. The daily portfolio report when accessed online from the trading platform is an end-of-day statement; with key account data also available in real-time from the trading platform's information windows.

You will receive the monthly account information statement from your carrying broker which provides detailed "Current Month" and "Year To Date" account status and activity information. Please contact our Client Services Department at 1-800-806-0667 if you have not received your monthly statement by the 10th day of each month.

5.6 Account Documents

OTT provides you with certain documents when you open your account.

- [Introducing Broker/Carrying Broker Disclosure](#)
- [New Account Application Form](#)
- [Introducing Broker Client Disclosure Documents](#)
- [Carrying Broker Account Agreements and Disclosure Documents](#)
- [IIROC brochure – How IIROC protects investors](#)
- [IIROC brochure – Making a Complaint: A Guide for Investors Part 1 of 2](#)
- [IIROC brochure – How Can I Get My Money Back: A Guide for Investors Part 2 of 2](#)
- [CIPF brochure](#)

Please note that all the above documents are available from our website.

6. Conflicts of Interest

Conflicts between our interest and your interest may arise in the course of providing our services to you. Conflicts of interest may be addressed through avoidance, control and/or disclosure.

- Avoidance – this applies to conflicts arising from activities prohibited by law or IIROC rules, or where the conflict cannot be effectively controlled.
- Control – separating business functions and establishing procedures help us manage acceptable conflicts.
- Disclosure – providing you with information to independently assess the conflict when you evaluate our products and services.

The following information may help you understand how we address existing (ongoing) and potential conflicts of interest. You will be notified of any future potential conflicts of interest as they arise.

EXISTING CONFLICT OF INTEREST	HOW WE ADDRESS THE CONFLICT
We are compensated by the carrying broker for selling you their products and services.	DISCLOSE – We endeavor to be transparent on our fees and commissions and to inform you of the costs of trading in advance. CONTROL – We offer you pricing options to choose from.
We promote the products and services of the carrying broker to you through our marketing so you will use more of them.	AVOID – We do not provide you with recommendation or advice to increase our compensation from your trading. CONTROL – Our advertising, sales literature and correspondence are subject to review and approval to ensure they are accurate and not misleading.
Compensation to our firm and some individuals are based on trading volume.	DISCLOSE – Our commissions and fees are disclosed on the trading platform in advance. CONTROL – Our pricing options subject to account funding and/or trading volume benchmarks are displayed on our website.
We may pay referral agents to introduce clients like you to us.	DISCLOSE – We will disclose to you the role and compensation of the referral agent in our referral disclosure for introducing you to us. CONTROL – We have policies and procedures to ensure that referral arrangements are set up in accordance with regulatory standards.
We may be compensated by the carrying broker who is also a third-party service provider based on the type of pricing option to you.	DISCLOSE – Our daily report and monthly statement not only disclose your trading costs, but also the compensation we receive.
We may earn additional compensation based on how long you keep your trades open.	DISCLOSE – Our trading platform provides information about holding costs for each product as a pre-trade disclosure.
We may permit employees who are registered with us to accept compensation from other persons or firms, outside the scope of their relationship with us.	AVOID – We do not permit Outside Business Activities that are detrimental to our clients, our firm and the industry. CONTROL – We have policies and procedures to review and approve employees' requests to engage in Outside Business Activities to ensure outside business activities are not in conflict with registrant obligations.
We may permit employees to serve on boards in either a paid or unpaid capacity that could take time or attention away from their service of your account.	AVOID – We do not permit an individual serving as a director for another registered firm that is not our affiliate. CONTROL – We have policies and procedures to review and approve employees' requests to serve as directors of charities that do not conflict with registrant obligations.

7. Fee/Charge

You will receive monthly fee/charge reporting related to operating and transaction charges applicable to your account:

7.1 Operating Charges Applicable to Your Account:

If there are no filled orders in your account for at least six (6) months, you will be subject to a monthly dormant account administrative fee. Such fee will be equal to the lesser of \$50 or the remaining balance in your account.

7.2 Transaction Charges Applicable to Your Account:

Transaction charges are the spread costs as well as holding costs of an executed CFD trade.

Spread Costs represent OTT's portion of the bid-ask spread* on every Currency, Commodity or Index CFD, in the form of:

1. a mark-up which adds to the price you pay in a purchase; or
2. a mark-down which reduces the price you receive in a sale; and
3. a mark-up which adds to the cost of converting the profit/loss currency into the account currency.

*The real-time bid-ask spread is displayed in the Trade Board or Watchlist on the trading platform.

Holding costs (roll amount) are charges that apply to CFD positions which remain open at the end of the trading session:

1. rollover of a Currency CFD position to the next value date;
2. carrying cost of an expiring Commodity or Index CFD position; and
3. overnight financing charge of a non-expiring Index CFD position.

The holding costs of each CFD are displayed in its Trading Conditions window on the trading platform.

For details on transaction charges please visit www.ottfx.com.

8. Account Information Statement

From the monthly statement you will be able to access the following “Current Month” and “Year To Date” status and activity information:

- The opening cash balance for the period;
- The cash deposit and withdrawal amounts during the period;
- The profit/loss amounts realized on CFD contracts closed during the period;
- The unrealized profit/loss amount for each remaining open CFD position at the end of the period;
- The itemized monthly transaction charge and operating charge information;
- The ending cash and equity balances of the period; and
- The total spread cost.

9. Summary of Complaint Handling Procedures

OTT is a member of the Investment Industry Regulatory Organization of Canada (“IIROC”). A brochure entitled “[Making a Complaint: A Guide for Investors](#)” 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.

The Company has procedures in place to handle written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures:

9.1 What Constitutes a Complaint?

A complaint is a recorded or verbal expression of dissatisfaction with OTT or one of its employees alleging misconduct.

9.2 Client Access to the Complaint Process

At the time of account opening, clients are provided with:

- a written summary of the OTT Complaint Handling Procedures; and
- a copy of an approved complaint handling process brochure ([Making a Complaint: A Guide for Investors](#))

9.3 How to File a Complaint with OTT

Clients wishing to complain to OTT may contact us by e-mail at complaints@ottfx.com or by mail to Designated Complaints Officer, Compliance Department, OTT Financial Canada Inc., 5140 Yonge St., Level 5, North York ON M2N 6L7

Tel: 1-416-640-2155 x6100

9.4 Complaint Acknowledgment Letter

A letter acknowledging receipt of the complaint is sent within five (5) business days, along with a copy of OTT’s Complaint Handling Procedures.

9.5 Complaint Investigation Process

The OTT Compliance Department will gather the facts, information and documentation and objectively consider the complaint.

9.6 Substantive Response Letter

When the investigation is completed, but no later than ninety (90) calendar days after the complaint is received, OTT will send a substantive response letter outlining the complaint, OTT’s decision and the reasons for the decision.

9.7 Alternative Resolution

Clients who are not satisfied with the outcome are provided with the IIROC complaint handling process brochure ([Making a Complaint: A Guide for Investors](#)) and reminded of other options including arbitration; the Ombudsman for Banking Services and Investments (OBSI); filing a complaint to IIROC; or legal action.

Client Name
(Primary Account Holder)

Client Name
(Joint Account Holder)

Client Signature

Client Signature

Date (mm/dd/yy)

Date (mm/dd/yy)