

## OANDA (CANADA) CORPORATION ULC

*Pour la version française, voir ci-dessous*

### RELATIONSHIP DISCLOSURE Order-Execution-Only

**IMPORTANT – PLEASE READ CAREFULLY: OANDA (Canada) Corporation ULC (“OANDA”) believes that it is important to provide you with certain information concerning its relationship with you and assisting you becoming aware of the risks involved in entering over-the-counter contracts for foreign currency, precious metals, and contracts for difference (“CFDs”) (collectively, “OTC Contracts”).**

**In order to open and operate an fxTrade account with OANDA, you must indicate that you have read and understood this Relationship Disclosure statement (“Statement”). Please read this Statement in its entirety.**

OANDA is registered as an investment dealer with securities regulatory authorities in each province and territory in Canada, a derivatives dealer in Quebec and a suitability-exempt dealer member of the Investment Industry Regulatory Organization of Canada (“IIROC”). OANDA does not currently accept Alberta residents as clients.

The following brochures are provided at the bottom of this document:

- How IIROC protects investors
- Making a Complaint: A Guide for Investors Part 1 of 2
- How Can I Get My Money Back: A Guide for Investors Part 2 of 2
- Canadian Investor Protection Fund (CIPF) Brochure

#### Products and Services

Customers may trade in contracts for differences on a variety of asset classes, OTC Contracts on a leveraged basis through their fxTrade account on an order-execution-only basis. OANDA offers a variety of OTC Contracts and continuously updates its products. A current list of products offered by OANDA is available online.

#### Nature of the Relationship

OANDA deals with clients on an order-execution-only basis. This means OANDA only provides the systems and services required for clients to enter their trades with OANDA.

OANDA does not provide advice or recommendations to clients. Clients are solely responsible for making all investment decisions in their accounts at OANDA.

OANDA may make available certain educational materials to clients, as well as links to partners who may provide certain services which OANDA believes to be of use to clients. In no case is the provision of such materials or links intended by OANDA to be construed as advice or recommendations, nor should clients treat these materials and links as such.

#### No Suitability Determination

OANDA will not be responsible for making a suitability determination for the client. OANDA will not consider each client’s personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, nor other similar factors.

#### Account Reporting

Trade confirmations are displayed electronically to customers logged into their fxTrade account, and PDF trade confirmations are available through the web portal. Where there is account activity, monthly and annual account statements are generated. Account statements and your transaction history are available through your online fxTrade account. Given the highly leveraged nature of OTC Contracts trading, account percentage return information is not provided, however performance measures are available through your monthly and annual statements. Performance can be measured through realized and unrealized profit/loss amounts and through changes in your cash balance and NAV, which are all provided on your statements. Your annual statement also provides a summary of your account fees including the total mark-up you’ve paid on your OTC contracts trading throughout the year.

#### Other Documentation

In addition to the above, clients are provided with the following documentation in relation to their accounts with OANDA: Welcome Letter, this Relationship Disclosure document (which has been amalgamated with Risk Disclosure document); Privacy Policy, Customer Agreement; API License Agreement, Conflicts of Interest Disclosure and IIROC Complaints Brochure. Other account documents will be made available depending on the nature of the account, and the individuals involved.

Other documentation which may be provided to clients in accordance with IIROC Rules are: a summary statement of OANDA's financial position as of the close of OANDA's latest full fiscal year; and a current list of OANDA's partners, Executives, and Directors.

#### Fees and Charges

OANDA does not charge commissions or service fees for trading or maintaining your fxTrade account, other than an inactivity fee if your account is designated as "inactive", which may occur if there are no open Trades in your account for an extended period of time. OANDA may impose Inactivity Fees on inactive accounts, to be calculated and charged in such manner as OANDA shall publish from time to time on the OANDA website.

Your cost of trading is incorporated in the spread. If you open a trade and then immediately close it before the price moves, then you have effectively paid OANDA the spread on the currency pair for the round trip execution. Hence, in effect, you pay the equivalent of half the spread, on average, for each (opening or closing) trade you execute on fxTrade. For full disclosure, OANDA publishes its spreads on its website.

In addition, holding a position overnight may result in either a Financing Charge or a Financing Credit. Rates used for calculating Financing Charges and Financing Credits are variable and are set by OANDA in its sole discretion. All such Financing Charges and Financing Credits shall be calculated at such rates, and credited or charged, as the case may be, in such manner as OANDA shall publish from time to time on the OANDA website.

Fees may also arise, depending on the frequency and method of withdrawals. Withdrawal fees are listed on our website. Customers may also incur service fees charged by the financial service provider, when depositing funds, for example, when depositing by credit card, wire or PayPal.

Further information on these fees is provided in your Customer Agreement and on the OANDA website.

#### Conflicts of Interest

OANDA is committed to address existing and potential material conflicts of interest situations, which cannot be avoided, in the best interest client and will disclose, where required, to the client in a timely manner, upon identification of the conflict Please refer to OANDA Conflicts of Interest Disclosure document for more details.

#### Trusted Contact Person

OANDA is required to take reasonable steps to obtain from each individual client the name and contact information of a person that the client trusts to assist OANDA in protecting the client's investments. This person does not make any decision on behalf of client. With client's written consent, OANDA may contact this person to confirm or make inquiries about any of the following: (i) client's current contact information; (ii) the name and contact information of a legal representative of the client, if any; (iii) OANDA's concerns about possible financial exploitation of the client, or (iv) OANDA's concern about client's mental capacity as it relates to financial decision making. This does not apply to non-individual clients.

#### Temporary Hold

OANDA may place a temporary hold on a financial transaction or on the withdrawal or transfer of cash or securities from client's account if OANDA reasonably believes: (i) client might have an illness, impairment, disability or aging-process limitation that places the client at risk of financial exploitation, and (ii) financial exploitation of the client has occurred, has been attempted or will be attempted. A notice of the temporary hold and the reasons for the temporary hold will be provided to client as soon as possible after placing the temporary hold.

#### Customer Satisfaction

OANDA is dedicated to providing the best trading experience for our customers. If you have any concerns we encourage you to contact your Customer Experience Team immediately. Our team is available 24/5 by email, live online chat, or phone. If you have a complaint, please refer to OANDA's complaint process, available on our website, or contact our Client ExperienceTeam for assistance. External resources are also available to our clients. See the IIROC brochures on

making a complaint at the bottom of this document. For further information on raising a complaint with the Ombudsman for Banking Services and Investments (“OBSI”), please visit the OBSI website.

#### Amendments

You agree that OANDA may change any of the terms and conditions of this Statement, add additional terms and conditions to this Statement and/or eliminate any term or condition of this Statement at any time by posting such amendments, and their effective dates, on the OANDA website and sending you an e-mail, to the e-mail address you have given OANDA, notifying you that a change has been made. If OANDA follows this procedure, you agree that you and OANDA will be legally bound by the change, whether or not you actually receive the e-mail OANDA sends and whether or not you access the change, if you use OANDA’s services provided hereunder after the amendment’s effective date. You agree that OANDA may change its services provided hereunder at any time by posting the change on its website, and that OANDA is not obligated to provide you with any separate notification with respect to such change. **YOU AGREE THAT USE OF OANDA’S SERVICES PROVIDED HEREUNDER AFTER A POSTED CHANGE TO THIS STATEMENT OR TO THE SERVICES MEANS THAT YOU ACCEPT THE CHANGE, WHETHER OR NOT YOU ACTUALLY KNOW OF IT.**

## RISK DISCLOSURE

OTC Contracts are not executed on an exchange and are not cleared on a central clearing organization. They are obligations of OANDA and you may not be afforded all of the regulatory and financial protections offered by exchange-traded contracts. Both you and OANDA are obliged to perform your respective obligations under each transaction in accordance with its terms. The terms of each OTC Contract are set out in OANDA's fxTrade Customer Agreement, which applies to every transaction you enter into with OANDA. We recommend that you familiarize yourself with CFD and currency trading with OANDA using an fxTrade Practice account before using fxTrade.

OANDA establishes the prices at which it offers to trade with you based on prices that are made or quoted to OANDA by the banks, financial institutions, exchanges and counterparties with which it does business and which may not be the same as prices available from other sources. These prices depend on fluctuations in the financial markets which are outside OANDA's control. Financial markets in general and these products in particular are volatile and can move rapidly, particularly in response to news events. In addition the assets underlying CFDs are different from one another and there are specific risks for each item. These assets also differ from currencies (and different currencies also carry different risks). The past performance of an underlying asset, CFD or currency is not an indicator of future performance.

There may be instances where OANDA does not receive a price in respect of certain or all underlying assets due to market disruption or closure. OANDA may prohibit opening or closing a position if OANDA does not have pricing data available in respect of the underlying asset or currency. These situations involve risk for you as there may be market changes while you are unable to trade and this could adversely affect any open positions.

In entering into OTC Contracts you should understand that OANDA is acting solely in the capacity of an arm's length contractual counterparty to you and not in the capacity of your financial advisor or fiduciary. Accordingly, you should not regard any transaction, proposal, suggested hedging strategies or other written materials or oral communications from OANDA as investment recommendations or advice or as expressing OANDA's views as to whether a particular transaction is suitable for you or meets your financial objectives.

Using borrowed money to finance the purchase of OTC Contracts involves greater risk than using cash resources only. If you borrow money from such purchases, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the contracts purchased declines. Do not invest money you are not in a position to lose.

OANDA's trading system is designed to automatically liquidate all open positions if your margin deposit is in jeopardy so that you cannot lose more than the funds you have on deposit in your trading account. Margin closeouts may occur without warning in accordance with OANDA's Margin Rules and all your open positions will be closed. You are responsible for monitoring your account to avoid unexpected margin closeouts. To limit your losses OANDA encourages you to employ risk-reducing strategies such as using Pending Orders, but you should be aware that market conditions may make it impossible to close out your order at the level specified.

There are risks associated with utilizing an Internet-based trade execution software application including, but not limited to, the failure of hardware and software. While OANDA maintains back up systems and contingency plans to minimize the possibility of system failure, OANDA does not control signal power, reception, routing via the Internet, configuration of your equipment or the reliability of your connection to the Internet. The result of any failure of the foregoing may be that your order is either not executed according to your instructions, or is not executed at all.

OANDA's hours of operation coincide with the global financial markets. Trading is available from Sunday approximately 5 p.m. to Friday 5 p.m., New York time. During weekends you will not be able to close existing positions or open new positions. Also, spreads (the difference between the bid price and the ask price) typically widen at 4:15 p.m. Friday, to reflect decreased liquidity in the global markets. And, it is possible for market prices to significantly change or "gap" when trading resumes on Sunday. Therefore, you must ensure that you maintain sufficient margin in your fxTrade account at all times to avoid a margin closeout. To reduce the risk of a margin closeout, reduce or close your overall positions or add more funds to your fxTrade account and to prevent unwanted order execution, consider widening your take profits, stop losses or trailing stops prior to the weekend.

Customers' accounts are protected by the Canadian Investor Protection Fund ("CIPF") for up to \$1,000,000 CAD within specified limits. More information describing the nature and limits of coverage is available in the brochure provided at the end of this document.

## RISK INFORMATION DOCUMENT FOR DERIVATIVES PRESCRIBED BY CANADIAN REGULATORS

This brief document does not disclose all of the risks and other significant aspects of trading in futures contracts, options or other derivatives. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

### Futures Contracts

#### (1) Effect of “Leverage” or “Gearing”

Transactions in futures contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

#### (2) Risk-reducing Orders or Strategies

The placing of certain orders (e.g. “stop-loss” order, where permitted under local law, or “stop-limit” orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simple “long” or “short” positions.

### Options

#### (3) Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures Contracts above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures Contracts above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

### Additional Risks Common to Derivatives

#### (4) Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures contracts, options or other derivatives which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest and, in respect of options, expiration dates and restrictions on the time for exercise).

Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### (5) Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. liquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the derivative may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not.

The absence of an underlying reference price may make it difficult to judge “fair” value.

#### (6) Deposited Cash and Property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

#### (7) Commission and Other Charges

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

#### (8) Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

#### (9) Currency Risks

The profit or loss in transactions in foreign currency-denominated derivatives (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the derivative to another currency.

#### (10) Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

#### (11) Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system, including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Your ability to recover certain losses which are particularly attributable to trading on a market using an electronic trading system may be limited to less than the amount of your total loss.

#### (12) Off-exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks.

Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules.

### **BENCHMARKS AND INVESTMENT PERFORMANCE**

When investing your money, the absolute amount of money you may gain or lose is important. However, it is also important to understand how any gain or loss in your portfolio compares with the broader market. Benchmarks can serve to provide a measure of context in terms of how your investment portfolio has performed compared with that of a similar set of investments.

When using a benchmark as a tool of comparison in this way, it is important to use one which is relevant for the investments being evaluated. You should ensure you are comparing like with like, to make sure the relative performance of your investments against the benchmark is appropriate and meaningful. For example, the S&P/TSX 60 could be used as a benchmark for large-capitalization Canadian equities, or the S&P 500 as a benchmark for a broad selection of US equities. These benchmarks would not be appropriate for comparing the performance of, for example, a portfolio of bonds or European equities.

Unfortunately, for spot foreign exchange contracts (spot fx) and/or contracts for difference (CFDs), no widely-accepted benchmarks along the lines of the S&P/TSX 60 or S&P 500 have been developed. Therefore, in the absence of any accepted benchmark for spot fx and CFDs, OANDA Canada does not provide benchmark comparisons in our account reporting to you.