

# AGREEMENT FOR INTRODUCED PRIME BROKERAGE

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Office

Account(s):

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\_\_\_\_\_ (“Introducing Broker”), acting on behalf of the undersigned (“Client”), has introduced the account(s) of Client to Pershing LLC (“Pershing”) to act as prime broker and provide certain clearing and settlement services in connection therewith. This Agreement for Introduced Prime Brokerage and all annexes and supplements hereto (together, this “Agreement”) is entered into by Client and Pershing. This Agreement sets forth the terms and conditions of which Pershing, its affiliates and agents will open and maintain one or more deposit, custody, securities or other account(s) (“Account(s)”) in Client’s name. This Agreement hereby incorporates by reference all provisions as to which Pershing is a third-party beneficiary under the account agreement between Client and Introducing Broker (the “Account Agreement”). This Agreement bestows certain rights, where applicable, upon Introducing Broker as a third-party beneficiary.

Capitalized terms used in this Agreement and not otherwise defined are defined in Section V. Paragraph 31. Definitions. In consideration of Pershing opening and/or maintaining the Account(s) for Client, Client agrees as follows:

## I. INTRODUCED PRIME BROKERAGE

Client acknowledges that Client’s Introducing Broker has entered into a fully disclosed clearing agreement with Pershing whereby Pershing has agreed to perform certain execution, transaction processing, clearing, custodial and financing functions with respect to Client’s Account as disclosed to Client pursuant to a disclosure statement provided by Pershing to Client.<sup>1</sup> Introducing Broker is solely and completely responsible for all other functions required of registered securities brokerage firms by Applicable Laws. Introducing Broker is neither an affiliate nor agent of Pershing.

Pershing shall not be responsible or liable for any acts or omissions of the Introducing Broker or its employees. Client agrees that Pershing provides no investment advice, nor does Pershing give advice or offer any opinion with respect to the suitability of any transaction or order. Client understands that Introducing Broker is not acting as the agent of Pershing and will in no way hold Pershing, its other divisions, and its officers, directors, and agents liable for any trading Losses incurred by Client.

For the avoidance of doubt, while Introducing Broker may provide Client with investment research or market interpretation or Account information from Pershing, or with access to a Pershing website containing such information, Introducing Broker is solely responsible for your use of any such material any and any information provided or recommendations made therein.

Client has appointed Introducing Broker as agent with full capacity and authority to perform execution, transaction processing, and related services for and on behalf of Client and the Account. Pershing is authorized to follow the instructions of Introducing Broker in every respect (including instructions to provide information about Client and the Account to third parties) and Introducing Broker is authorized to act for Client and on Client’s behalf in the same manner and with the same force and effect as Client might or could do with respect to the Account.

Client agrees to and hereby does indemnify and hold Pershing harmless from any Losses arising which Pershing might sustain or which might be incurred by or imposed upon Pershing by reason of any breach of this provision or any action, inaction, instruction or transaction with Introducing Broker.

Client agrees and acknowledges that Introducing Broker is responsible for accepting and executing (or arranging the execution of) orders from Client for Client’s Account to buy or sell securities, or transfer or deliver funds or securities to Client or third parties. Client has authorized Introducing Broker to collect and transmit prime brokerage transactions and other instructions to Pershing on behalf of Client on an ongoing basis and provide Pershing with such reports, data and services as Pershing may require in order to provide prime brokerage services with respect to such transactions. Unless Pershing has received and had a reasonable time to act on prior written notice to the contrary, Pershing may accept from Introducing Broker, without any inquiry or investigation (i) orders which Pershing has agreed to clear, for the purchase or sale of securities and other property in the Accounts, on margin or otherwise and (ii) any other instructions regarding the Accounts or the property therein, including, without limitation, an instruction to provide Account information to third parties for performance reporting or other purposes.

<sup>1</sup> See [https://www.pershing.com/\\_global-assets/pdf/disclosures/per-disclosure-statement.pdf](https://www.pershing.com/_global-assets/pdf/disclosures/per-disclosure-statement.pdf)

Pershing shall not be required to take instructions directly from Client.

Notices to the undersigned concerning margin requirements or other matters related to the undersigned's Accounts usually will go through the undersigned's Introducing Broker although direct notice to the undersigned with duplicate notice to the undersigned's Introducing Broker may occur if market conditions, time constraints, or other circumstances require it.

Any notice, reports, documentation or other information to be provided by Pershing to Client hereunder shall be satisfied by Pershing providing the foregoing to Introducing Broker on behalf of Client. Any notice, documentation of other information to be provided by Client to Pershing here under shall be satisfied by Introducing Broker providing such information to Pershing on behalf of Client.

The foregoing shall not restrict Pershing from contacting or communicating with Client directly, but nothing in this Agreement shall obligate Pershing to notify, contact or communicate with Client directly.

Client agrees and acknowledges that Pershing is a third-party beneficiary under the Account Agreement and any other related documentation between Client and Introducing Broker, including, but not limited to corporate resolutions, company certifications, trustee certifications, and partnership forms.

Client agrees and acknowledges that Pershing may assign any of its rights under this Agreement to Introducing Broker, including, but not limited to Pershing's right to collect any debit balance or other obligations owing in any of the Accounts, so that Introducing Broker may, independently or jointly with Pershing, collect or enforce any other rights granted to Pershing under this Agreement.

## II. PRIME BROKERAGE SERVICES

In addition to maintaining the Account with Pershing and executing transactions therein, Client maintains brokerage accounts with a number of other brokers and may, from time to time, place orders to be executed by one or more of these brokers designating Pershing as Client's prime broker in accordance with the letter dated January 25, 1994 from the Division of Market Regulation of the Securities and Exchange Commission (and any amendment or interpretation thereto, or, if applicable, any subsequent amending or superseding letter or order, rule or regulation) (the "**No-Action Letter**"). Subject to the terms and conditions set forth herein, Pershing agrees to act as prime broker for Client and to perform certain settlement and clearance services in connection with such transactions ("**Prime Brokerage Transactions**"). This Agreement sets forth certain terms and conditions under which Pershing will perform services for Client relating to Prime

Brokerage Transactions. In the event any provision of this Agreement conflicts or is inconsistent with any provision of Client's Account Agreement, this Agreement shall control for Prime Brokerage Transactions.

**1. Applicable Transactions; Limitations.** The terms of this Section II shall apply only to Prime Brokerage Transactions executed by Client with such brokers as Client may designate to Pershing and which are acceptable to Pershing. Such brokers will either be self-clearing executing brokers or introducing executing brokers. If the latter, Client will provide to Pershing the name of the firm clearing for Client's introducing executing broker. In either case, the self-clearing executing broker and/or the clearing firm of the introducing executing broker, is referred to herein as the "Executing Broker". Client may request Pershing to add to or delete from the list of Executing Brokers with not less than one (1) Business Day's prior notice to Pershing, provided that no addition may be made without Pershing's consent (which shall not be unreasonably withheld) nor will any addition be effective until all documentation required by Pershing in its discretion has been completed. Notwithstanding the foregoing, Pershing may add or delete an Executing Broker from the list immediately upon notice.

The terms as set forth in this Agreement shall apply only to Prime Brokerage Transactions in debt and equity securities cleared and settled through United States clearance and settlement systems and in such other securities and instruments as are otherwise specifically approved by Pershing for clearance for the purposes of being governed by the terms as set forth in this Section II (all such securities and instruments, being "**Covered Securities**"). It is expressly understood and agreed that, with respect to Prime Brokerage Transactions in non-Covered Securities, Pershing shall have no obligation to Client or to any third party to clear or settle trades executed by Client, and Client shall inform its Executing Brokers that the Executing Broker may look only to Client for the settlement of such Prime Brokerage Transactions and the resolution of any claim or dispute relating thereto.

**2. Client Acknowledgement.** Client acknowledges that Prime Brokerage Transactions are subject to Applicable Law and to the requirements of the No-Action Letter. Client further acknowledges that Pershing will, as required by the No-Action Letter and Applicable Law, enter into contractual arrangements pertaining to Prime Brokerage Transactions for Client's Account ("**Contractual Arrangements**") with the Executing Brokers identified on the list described above. Client acknowledges and agrees that Pershing shall have no suitability obligation or liability to Client in connection with trades placed by Client or for Client by an investment adviser or other agent or for complying with such Contractual Arrangements. Client agrees to indemnify and hold harmless Pershing for any Losses related thereto unless arising as a result of Pershing's gross negligence or

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willful misconduct.

**3. Accounts with Executing Brokers.** Client shall not begin to effect Prime Brokerage Transactions with an Executing Broker until Client advises Pershing of its intent to do so and Pershing thereafter advises Client that Pershing and the Executing Broker have executed the appropriate Contractual Arrangements with respect thereto. Client understands and agrees that the Contractual Arrangements may affect Pershing's dealings with Clients. Client agrees to accept any restrictions or limitations affecting its Account with Pershing that may result from such Contractual Arrangements and Pershing's dealings with Executing Brokers. Pershing reserves the right at any time to place a limit on the type or size of Prime Brokerage Transactions which may be effected by Client with Executing Brokers generally or with any particular Executing Broker. Client acknowledges that Pershing has not recommended or endorsed any Executing Brokers and Pershing shall not be responsible or liable for any acts or omissions of any Executing Broker or its employees. Client agrees that, as between Pershing and Client, any Losses resulting from any action or failure to take action by an Executing Broker or its agents or other third party with respect to Client or its Accounts, including, without limitation, the insolvency of any such party or the failure of any such party to fulfill its settlement obligations, will be borne solely by Client and Client agrees to indemnify Pershing, and to hold Pershing harmless, in connection therewith, unless such Losses are a result of Pershing's gross negligence or willful misconduct. The execution of transactions through Executing Brokers may give rise to commissions or fees not otherwise incurred if the transaction were executed directly through the Introducing Broker, including fees charged by Pershing. Client agrees to be responsible for any such additional fees and Client's Account(s) will be liable for the payment of such fees.

**4. Communications with Executing Brokers.** Client understands and agrees that Pershing may be required by the No-Action Letter, Applicable Law or by the Contractual Arrangements, or that Pershing may otherwise reasonably deem it necessary or appropriate, to communicate information concerning Client and the Account to Executing Brokers. Such information may include: (i) whether the net equity in the Account falls below certain minimums as set forth in the No-Action Letter and established by

Pershing; (ii) information regarding the allocation of Prime Brokerage Transactions to sub-accounts, if applicable; (iii) other matters requested by Executing Brokers; and (iv) such other information as Pershing may reasonably deem necessary or appropriate for Pershing's own protection, provided the release of such information is in accordance with Applicable Law, and, to the extent such information is Confidential Information (defined below), Pershing's Privacy Policy. Client hereby consents to, and agrees to hold Pershing harmless with respect to, the release to

Executing Brokers of any and all information regarding Client and the Account in accordance

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with the foregoing absent the gross negligence or willful misconduct of Pershing.

**5.a. Reporting of Trade Information.** Client agrees to notify Pershing (or instruct Introducing Broker to notify Pershing) by 5:30 P.M. (Eastern Time) on any trade date of the details of all Prime Brokerage Transactions effected by or on behalf of Client through Executing Brokers for such date. Client or its agents will supply Pershing with the following information to the extent known for each transaction: (a) Account Name; (b) Name of Executing Broker (and clearing broker, if different); (c) Security name, quantity and security symbol (or CUSIP number if no security symbol exists or is known); (d) Whether transaction is a buy, buy to cover, sell or sell short transaction; (e) Price per share or other unit (if a trade is to be reported on an average price basis, Client or its agents must compute the average price to four decimal places); (f) Exchange or other market where executed; (g) Commission rate; (h) Total execution and commission costs; (i) If an options transaction is involved, whether the transaction is an opening or closing transaction; (j) The trade date and settlement date; (k) For trades in non-U.S. markets, all other information required for Pershing to settle such trades; and (l) settlement instructions.

Client understands and agrees that, subject to the provisions of this Agreement and Pershing's internal policies and procedures, Pershing will affirm and settle transactions with an Executing Broker only to the extent that the information provided by such Executing Broker matches the trade information submitted to Pershing by Client. If Client or any of its agents has provided information to Pershing that does not match the information provided to Pershing by the Executing Broker, and if time permits, Pershing will make a reasonable attempt to contact Client through the Introducing Broker so any differences in the reported information may be reconciled. If such contact and reconciliation is not made, Pershing may, in Pershing's discretion choose to settle such Prime Brokerage Transactions on Client's behalf if, in Pershing's sole judgment, the differences between Client's report and the Executing Broker's report are not material. Client expressly acknowledges and agrees that Pershing shall have no responsibility or liability and Client shall indemnify and hold Pershing harmless with respect to any trade data that is not accurate or received by Pershing in the manner provided above.

**5.b. Short Sales.** Client further understands and agrees that if Pershing is responsible for settling a short sale on behalf of Client, or if Client fails to deliver any securities it has sold in a long sale, Pershing is authorized to borrow or obtain the securities necessary to enable Pershing to make delivery. Client agrees to be responsible for any cost, fee or loss associated with sourcing or maintaining the borrow, or the actual cost Pershing incurs in obtaining the securities if Pershing is unable to borrow such securities.

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**5.c. Prime Broker Ceasing to Act.** Client understands and agrees that Pershing may, (a) at any time, including at the instruction of Introducing Broker, cease to act as prime broker for Client's Account, (b) decline to affirm, clear and settle any Prime Brokerage Transaction for any reason it reasonably deems advisable for its protection, (c) at any time decline to affirm, clear and settle any transactions effected by an Executing Broker other than a Prime Brokerage Transaction or (d) in accordance with the terms hereof, terminate this Agreement.

**5.d. Affirmation and Settlement.** Client further acknowledges that, Pershing may, in its sole discretion, decline to settle Client's Prime Brokerage Transactions. In any such case, Pershing will use reasonable efforts to so advise Client through its Introducing Broker promptly and Pershing will "DK" or disaffirm such transaction or transactions in accordance with the terms of the No-Action Letter, the Contractual Arrangements, and applicable rules and procedures of any clearing agency registered pursuant to Section 17A of the Securities Exchange Act of 1934 (the "**Exchange Act**") that Pershing has agreed to use with Client and its Executing Brokers. Failure to so advise Client shall not be a condition precedent to Pershing's rights to "DK" or disaffirm such transaction(s). Under such circumstances, Client acknowledges that it will be obligated to settle the Prime Brokerage Transactions directly with the Executing Broker.

**6. Confirmations.** If Client has instructed Executing Brokers to send trade confirmations to Client in care of Pershing, Pershing agrees that such confirmations will be made available to Client, without charge, upon its request. On the day following Pershing's receipt of information from Client regarding any Prime Brokerage Transaction, Pershing agrees to send to Client a notification of each such trade based on the information supplied to Pershing by Client. Any trade notifications issued by Pershing as prime broker shall indicate the name of the Executing Broker involved and the other information required by the No-Action Letter, provided that Pershing shall have received such information in the manner and to the extent provided herein from Client. Client acknowledges that Pershing has requested that Client supply Pershing with all information required by Rule 10b-10 under the Exchange Act with respect to each Prime Brokerage Transaction. Client understands and agrees that the notifications sent by Pershing will be based solely upon the information supplied by Client and that Client will be solely responsible therefore. Client agrees that Pershing assumes no responsibility, and Client will indemnify and hold Pershing harmless in connection therewith absent Pershing's gross negligence or willful misconduct.

**7. Status of Client; Investment Advisor.** Client represents and warrants to Pershing that no one except Client has a direct beneficial interest in the Account. Client agrees to provide all information and documentation required by Pershing or Introducing Broker in their sole discretion in connection with this

Agreement and warrants that it will inform Introducing Broker of any changes in the information and documentation provided to Pershing or Introducing Broker in connection with the establishment and maintenance of the Account for Client. In the event that Client is represented by an investment advisor or other agent ("Investment Advisor"), Client acknowledges and agrees that such Investment Advisor is authorized to instruct Pershing and Introducing Broker with respect to Client's Prime Brokerage Transactions and shall have all powers necessary in connection therewith, including, without limitation, full access, personally or through its agents, to Client's Account information through whatever medium Pershing and/or Introducing Broker may choose for transmitting such information. Client acknowledges and agrees that it is responsible for investigating and selecting the Investment Advisor, that the Investment Advisor is not affiliated with or employed or controlled by Pershing, and that Pershing is not responsible for and has no duty to review, monitor or supervise the Investment Advisor's exercise of the powers granted to it. Client further acknowledges that Prime Brokerage Transactions authorized by such Investment Advisor may, at such Investment Advisor's instruction, be commingled with those of other customers of the Investment Advisor for settlement as a single bulk trade with Pershing, may be reported on an average price basis, and may later be allocated by such Investment Advisor among such customers. Client acknowledges that if any such customer's account fails to satisfy the minimum net equity requirements in the No-Action Letter or such higher amount as required by Pershing or Introducing Broker, Pershing may not be able to effectuate the entire bulk trade, and upon such event, Client agrees that the Investment Advisor may resubmit the bulk trade excluding any such customer's account within any required deadlines. Client agrees that Pershing shall in no event be responsible for making any determination relating to the suitability of any transaction for Client's Account.

a. If applicable Client or Introducing Broker notifies Pershing that Client has granted an Investment Advisor trading authorization over the Accounts, in all matters and other things necessary or incidental to the furtherance or conduct of the Account, Pershing is authorized to follow the instructions of the Investment Advisor (including any officers, directors, employees and agents having actual or apparent authority to act for the Investment Advisor) in every respect (including instructions to provide information about Client and the Account to third parties) and he or she or it (as the case may be) is authorized to act for Client and on Client's behalf in the same manner and with the same force and effect as Client might or could do with respect to the Account. Client hereby ratifies and confirms any and all transactions with Pershing or Introducing Broker heretofore or hereafter made by the Investment Advisor for the Account, and waives notification to such Client of any transactions and the delivery of any statements, notices or demands

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pertaining thereto. Client's authorization and indemnity: (a) is a continuing one and shall remain in full force and effect until Pershing has received and had reasonable time to act on written notice of the revocation by Client of Client's appointment of the Investment Advisor under this Agreement and such revocation shall cancel all outstanding unexecuted orders which can be cancelled, but such revocation shall not affect any liability in any way resulting from transactions initiated while such authorization remained in full force and effect; (b) shall inure to the benefit of Pershing and of any successor firm or firms irrespective of any change or changes at any time in the personnel thereof for any cause whatsoever, and of the assigns of Pershing or any successor firm; and (c) is in addition to (and in no way limits or restricts) any of the provisions of or the rights which Pershing may have under any other agreement or agreements between Pershing and Client relating to the Account.

Client agrees to and hereby does indemnify and hold Pershing harmless from any Losses arising which Pershing might sustain or which might be incurred by or imposed upon Pershing by reason of any breach of this provision or any action, inaction, instruction or transaction with Investment Advisor relating to the Account prior to Pershing's receipt, with a reasonable time to act, of written notice of the revocation of the authority granted herein.

b. Investment Advisor, if applicable, accepts its appointment as Investment Advisor. Investment Advisor agrees not to give or transmit any instruction concerning the Account that Investment Advisor knows or believes does not comply with its obligations, or if Investment Advisor knows or has reason to know that its authorization has been revoked, terminated or suspended, in whole or in part, or is no longer valid for any reason. Investment Advisor represents and warrants that Investment Advisor possesses the sophistication, expertise and knowledge (including knowledge of Client's financial position and investment objectives) necessary to fulfill Investment Advisor's obligations and Investment Advisor acknowledges that, unless Pershing has expressly agreed otherwise in writing, Pershing is acting in the capacity of broker in connection with any transaction executed for Client's Account and not as a financial adviser or a fiduciary, and no advice provided by Pershing has formed or shall form a primary basis for any investment decision by or on behalf of Client. Investment Advisor agrees to and hereby does indemnify and hold Pershing harmless from any Losses that Investment Advisor might sustain or that might be incurred by or imposed on Pershing by reason of Investment Advisor's acts or omissions in relation to the Account or any breach of its authorization. Investment Advisor's indemnification obligations hereunder will survive the revocation or termination of its authorization or of this Agreement. Investment Advisor represents and warrants that Investment Advisor is registered as an investment adviser under federal or state law or is not required to be so registered. In performing Investment

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Advisor's obligations, Investment Advisor will not be an employee, agent or representative of Pershing and nothing hereunder creates a joint venture, partnership, franchise or agency relationship between Investment Advisor and Pershing.

**8. Minimum Net Equity.** Client shall, at all times, maintain in the Account a minimum net equity as required by Pershing or Introducing Broker. Client shall maintain such minimum net equity in cash or securities with a ready market and shall, upon Pershing's request, promptly (but no later than within five (5) Business Days) restore such net equity if it should fall below such minimum. Client understands and agrees that failure to maintain a minimum net equity at least equal to that required by the No-Action Letter, after giving effect to any applicable grace period, will require Pershing promptly to inform Executing Brokers that Pershing is no longer acting as prime broker for Client and that Pershing will "DK" or disaffirm any Prime Brokerage Transactions commenced thereafter by or on behalf of Client.

**9. Restricted Securities.** Prior to instructing the delivery into Client's Account (by purchase or otherwise) of any securities (i) subject to Rule 144 or Rule 145(d) or Regulation S under the Securities Act of 1933, (ii) subject to any Applicable Law restricting or limiting transfer or distribution thereof, (iii) subject to any other Applicable Law relating to restricted or control securities or (iv) that are otherwise contractually restricted ("**Restricted Securities**"), Client agrees that it is responsible for ensuring that Client's Account is eligible to receive such Restricted Securities. Additionally, prior to placing an order for the sale or transfer of any Restricted Securities, Client agrees that it will advise the relevant Executing Broker of the status of the securities and furnish such Executing Broker with the necessary documents (including opinions of legal counsel, if it so requests) to satisfy legal transfer requirements. These securities may not be sold or transferred until they satisfy legal transfer requirements. Client agrees that even if the necessary documents are furnished by it in a timely manner, there may be delays in the delivery of securities and the subsequent crediting of cash by Pershing to Client's Account. Client is responsible for any delays, expenses, and Losses associated with compliance or failure to comply with any and all of the requirements and rules relating to Restricted Securities and agrees to hold Pershing and Introducing Broker harmless in connection therewith.

**10. Timely Settlement.** Client agrees that it is responsible to Pershing and Introducing Broker for timely payment and delivery in connection with the settlement of all Prime Brokerage Transactions for which Pershing becomes responsible pursuant to the Contractual Arrangements. Client agrees to cooperate with Pershing and Introducing Broker in resolving disputes with Executing Brokers related to settlement of Prime Brokerage Transactions. Client will be responsible for any Losses, including but not limited to those resulting from

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buy-ins or sell-outs of securities, resulting from failure to timely settle such transactions and will hold Pershing harmless in connection therewith, absent Pershing's gross negligence or willful misconduct and will hold Introducing Broker harmless in connection therewith, absent Introducing Broker's gross negligence or willful misconduct.

**11. Provisional Credits.** Client understands and agrees that although Pershing may credit or debit Client's Account on or about the settlement date with respect to a transaction executed by an Executing Broker, such credit is conditional and may be reversed upon the failure of the Executing Broker's delivery against payment or payment against delivery, as applicable. Any Losses resulting from the Executing Broker's failure to consummate any such transaction will, as between Pershing and Client, be borne solely by Client and Pershing shall have no responsibility or liability to Client or any third party with respect thereto, and Client shall indemnify and hold harmless Pershing with respect to the foregoing, absent Pershing's gross negligence or willful misconduct.

**12. Security.** Client shall be responsible for safeguarding any testkeys, identification codes or other security devices which shall be made available to Client, including any of the foregoing used to transmit instructions, and neither Pershing nor Introducing Broker shall have any liability for any Losses incurred by Client arising out of any failure or misuse of SWIFT, tested telex or any "on-line" system used to transmit instructions.

### III. MARGINFINANCING

If Client intends to borrow funds in connection with Client's Account, Client must open a margin account with Pershing. By applying for a margin account or placing an order on margin, Client acknowledges receipt of Pershing's Margin Disclosure Statement.

**1. Risk Factors.** Margin transactions involve the possibility of greater loss than transactions for which Client is not borrowing money. If the value of the securities in Client's Account falls, Client may be required to deposit additional assets to secure Client's loan. Alternatively, Pershing or Introducing Broker may sell Client's securities to pay down or pay off the loan without prior notice to Client and at a loss or at lower prices than under other circumstances. Client remains solely liable for any deficiencies arising from such sales. Client agrees to carefully consider Client's own financial condition, tolerance for risk and investment objectives, as well as market conditions, before Client decides to use margin credit or short selling strategies. Client acknowledges that Pershing and Introducing Broker have made available to Client certain information relating to margin trading and that before submitting Client's application for a margin account, Client represents and warrants to Pershing and Introducing Broker that Client has had an opportunity to

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discuss with Introducing Broker the risks associated with the use of margin and that the use of margin is consistent with Client's investment objectives as provided to Pershing and Introducing Broker. "Margin" shall mean all funds, securities, or other property constituting Collateral required to be provided by Applicable Law, Introducing Broker or Pershing in connection with any Obligation, Account or Contract.

Client remains solely liable for any deficiencies arising from the use of margin in its Account.

**2. Margin Account Operation.** Client agrees, with respect to the Account, as Pershing or Introducing Broker may, in its sole discretion require Client to (i) deposit such Margin, (ii) deliver or maintain such Collateral, and (iii) pay any amount that may become due for additional deposits or "marks to market" for any transaction, including those involving foreign exchange and unissued securities Client may purchase or sell. Client agrees to deposit, maintain or pay such amounts in accordance with the On Demand timing requirements.

Client understands that notwithstanding a general policy of giving its customers notice of a margin deficiency, neither Pershing nor Introducing Broker is obligated to request additional margin from Client, and that there may be circumstances where Pershing or Introducing Broker will liquidate securities in the Account without notice to Client.

**3. Rehypothecation and Use.** Client agrees that Collateral in Client's Account may be carried in Pershing's general loans and may be pledged, repledged, hypothecated, rehypothecated, sold, lent, used or otherwise transferred separately or in common with other securities for the sums due to Pershing thereon or for a greater sum, as permitted by law. Client acknowledges that Collateral may be used for, among other things, settling short sales and lending the securities for short sales, and as a result, Pershing may receive compensation in connection therewith. Provided, however, that, for the avoidance of doubt, nothing herein shall be deemed to grant authority to Pershing to loan, pledge, hypothecate, re-hypothecate, sell or re-register "fully paid securities" or "excess margin securities", as such terms are defined in Rule 15c3-3. Pershing does not lend fully paid for securities without Client's written permission.

Client understands (i) that Pershing might not retain, in its possession or control for delivery a like amount of similar securities; and (ii) that certain rights of ownership, including the right to vote such securities or the right to receive dividends directly from the issuing company, may be transferred to Pershing or by Pershing to others and that, as a consequence, Client may not maintain the voting rights in such securities and may receive payments-in-lieu of dividends which may not be eligible for certain dividend tax benefits based on current tax laws.

Client agrees that Pershing or Introducing Broker may, in its sole discretion, transfer Collateral held in Client's Account, including Client's cash account, to Client's

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margin account. Any Collateral so transferred may be pledged or rehypothecated by Pershing as provided in this Agreement.

**4. Margin Loan.** The parties acknowledge that the cash loans provided hereunder are each a “margin loan” as used in the definition of “securities contract” in the United States Bankruptcy Code (11 U.S.C. Section 741).

#### **IV. INTEREST CHARGES DISCLOSURE STATEMENT**

Client agrees to pay interest charges which may be imposed in accordance with the terms this Section, in conjunction with any transaction, including for securities purchased in Client’s Account and prepayments in Client’s Account (i.e., the crediting of the proceeds of sale prior to settlement date or prior to receipt by Pershing of the item sold in good deliverable form). Client acknowledges review of the terms of this Section. Interest charged may be shared between Introducing Broker and Pershing.

**1. Interest Rates.** Pershing, in its sole discretion will charge interest on any debit balances in the Account. Interest charged on any debit balances in cash accounts or credit extended in margin accounts shall consist of the Base Rate plus or minus the interest rate spread for that currency as determined by Pershing. The Base Rate for each currency will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. For a loan in a currency other than U.S. dollars, the Base Rate will be set based on the above-referenced criteria in the country whose currency is the basis of the loan. The Base Rate and interest rate spread for each currency may change without prior notice. When the Base Rate for a particular currency or interest rate spread changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period.

**2. Interest Period.** The interest period begins on the 20th of each month and ends on the 19th of the following month. Accordingly, the interest charges for the period as shown on Client’s monthly statement are based only on the daily net debit and credit balances for the interest period.

**3. Method of Interest Computation and Related Charges.** At the close of each interest period during which credit was extended to Client, an interest charge is computed by multiplying the average daily debit balance for that currency by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the rate agreed upon between Pershing and Client for that currency, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. If not paid, the interest charge for credit extended to Client’s Account at the close of the interest

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period is added to the opening debit balance for that currency for the next interest period.

With the exception of credit balances in Client’s short account, all other credit and debit balances in the same currency will be combined daily and interest will be charged on the resulting average daily net debit balances for that currency for the interest period. Credit balances in one currency will not be combined or netted with debit balances in a different currency. If there is a debit in Client’s cash account and Client holds a margin account, interest will be calculated on the combined debit balance for that currency and charged to the margin account. Any credit balance in Client’s short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if Client should be long the same position in Client’s margin account (for instance, short sale against the box). If the security that Client sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged in U.S. dollars or any other currency on the appreciation in value.

Correspondingly, if the security that Client sold short depreciates in market price, the interest charged will be reduced since Client’s average debit balance will decline. This practice is known as “marking-to-the-market.” All short positions will be “marked to market” on a daily basis. A closing price is issued and reconciled daily to determine any appreciation or depreciation in the security sold short.

#### **V. GENERAL PROVISIONS**

**1. Obligations.** Upon written or oral demand confirmed in writing as promptly as practicable by Pershing, Client shall pay Pershing in immediately available U.S. funds, any principal balance of, accrued but unpaid interest on, any Obligation.

Client authorizes Pershing or Introducing Broker to automatically debit Client’s Account in payment of any Obligations.

**2. Automated Systems.** Client consents to the use of automated systems or service bureaus by Pershing or Introducing Broker in conjunction with Client’s Account, including, but not limited to, automated order entry and execution, recordkeeping, reporting and Account reconciliation and risk management systems (collectively “Automated Systems”). Client understands that the use of Automated Systems entails risks, such as interruption or delays of service, system failure and errors in the design or functioning of such Automated Systems (collectively, a “System Failure”) that could cause substantial damage, expense or liability to Client.

**3. Exchange or Market.** Client’s Account and transactions effected and/or executed through the Account will be subject to and shall be in accordance with the rules and customs of any applicable national securities exchange, electronic communication network, national securities association, alternative trading system, contract

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market, derivatives transaction execution facility or other exchange or market (domestic or foreign) (each an “**Exchange**” and collectively “**Exchanges**”) and their respective clearing houses, as well as any applicable self-regulatory organization, if any, where the transactions are executed, or that otherwise apply to Client’s Account or transactions, and in conformity with Applicable Law and regulations of governmental authorities and future amendments or supplements thereto, and Client agrees to use the Accounts only in accordance with such rules, customs, laws and regulations. Client understands that the Exchanges have the right to break any executed transaction on various grounds, including if the executed transaction was, in their opinion, “clearly erroneous,” and neither Pershing nor Introducing Broker will be liable for such broken transactions unless such broken transactions are caused in whole or part by Pershing’s or Introducing Broker’s respective gross negligence or willful misconduct.

**4. General Lien; Delivery of Collateral.** Client hereby grants a continuing first priority perfected security interest in, lien in and right to net and setoff against, all Collateral as security for the performance of all of Client’s Obligations to Pershing. Client shall execute such documents and take such other action as Pershing or Introducing Broker shall request in order to perfect Pershing’s rights with respect to any such Collateral. In addition, Client appoints Pershing and Introducing Broker as Client’s attorney-in-fact to act on Client’s behalf to sign, seal, execute and deliver all documents, and do all acts, as may be required, or as Pershing shall determine to be advisable, to perfect the security interests created hereunder in, to provide for Pershing control of, or to realize upon any rights of Pershing in, any or all of the Collateral. Client further agrees that Pershing or Introducing Broker may, in its sole discretion at any time, require Client to make a payment of Margin or deliver Collateral and secure Client’s performance of any obligations to Pershing. Such payment of Margin or delivery of Collateral shall be, in such amount and form and to such account or recipient as Pershing or Introducing Broker shall specify, in accordance with On Demand requirements. All Collateral delivered to Pershing shall be free and clear of all prior liens, claims and encumbrances and Client will not cause or allow any of the Collateral to be subject to any adverse claims, liens, security interests, mortgages or encumbrances of any nature (other than solely in Pershing’s favor).

The security interest, lien and right of set-off granted herein shall (i) remain in full force and effect until the full and final payment, performance and discharge by Client of all of its Obligations, and the termination of this Agreement by the parties, (ii) be binding upon Client, its successors and permitted assigns, and (iii) inure the benefit of, and be enforceable by, Pershing and its respective successors, transferees and assigns.

Pershing may, in its sole discretion and without notice to Client, deduct or direct Introducing Broker to deduct any

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amounts from Client’s Account and apply or transfer any of the Collateral interchangeably between any Accounts in which Client has an interest, each of which constitutes unconditional security for all Obligations of Client to Pershing. With respect to Collateral, Pershing and Introducing Broker shall have the right, but in no event the obligation, to apply all or any portion of such Collateral to Client’s Obligations to Pershing under a Contract. Under no circumstances shall any Collateral pledged principally to secure certain Obligations to Pershing under a Contract be required to be applied or transferred to secure other Obligations to Pershing or to be released if Pershing determines that subsequent to such transfer Pershing would be undersecured with respect to any Obligations of Client (whether or not contingent or matured).

Client and Pershing agree that all cash, securities and other property held in or credited to the Account will be treated as “financial assets” under the New York Uniform Commercial Code (“**UCC**”) and that the Account shall be a securities account under Article 8 of the UCC. For purposes of Articles 8 and 9 of the UCC, to the extent that Client has any control with respect to any such assets, upon the occurrence of a Close-Out Event or Termination Event as defined below, Client shall no longer have any control over such assets.

**5. Close-Out Event; Termination Event.** If (i) Client fails to make, when due, any payment or delivery to satisfy any Obligation; (ii) Client defaults in the performance of any other obligation under any transaction or Contract; (iii) any representation or warranty made by Client under any Contract or transaction between the parties is materially incorrect or untrue when made, repeated or deemed to have been made or repeated; (iv) Client becomes bankrupt, insolvent or subject to any voluntary or involuntary bankruptcy, reorganization, insolvency, levy of attachment or similar proceeding; or (v) Client’s registration status, if applicable, is suspended or terminated by any applicable federal, state or self-regulatory authority; each such occurrence of default shall be a “**Close-Out Event**”. If (i) the security interest hereunder is not or ceases to be a first priority perfected security interest; (ii) any general lien granted to Pershing ceases to be valid; (iii) Pershing ceases to conduct a prime broker business or maintain direct Client Accounts; or (iv) for any reason Pershing in its commercially reasonable discretion deems it advisable for its protection, each such occurrence shall be a “**Termination Event**”. Upon the occurrence of a Close-Out Event or a Termination Event, Pershing or Introducing Broker may (i) cancel, terminate, accelerate, liquidate and/or close-out any or all Contracts and transactions between Client and Pershing, (ii) sell or otherwise transfer any securities or other property which Pershing may hold for Client or which is due to Client (either individually or jointly with others) and apply the proceeds to the discharge of Client’s Obligations, (iii) purchase or retain any Collateral and/or set-off, net and recoup any obligations (whether



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physical or financial and whether or not then due) to Client against any Obligations, (iv) exercise all rights and remedies in respect of all Collateral under the UCC (whether or not the UCC is otherwise applicable in the relevant jurisdiction) or right of set-off, (v) cover any open positions of Client (by buying in or borrowing securities or otherwise) and (vi) take such other actions as Pershing deems appropriate; provided that if Applicable Law would stay or otherwise impair the ability of Pershing to take any such action upon any such bankruptcy, reorganization, insolvency or similar proceeding, then Pershing will be deemed to have taken such action immediately prior to such bankruptcy, reorganization, insolvency or similar proceeding. Client shall remain liable for any deficiency and shall promptly reimburse Pershing or Introducing Broker for any Losses incurred thereby, including Losses sustained by reason of an inability to borrow any securities or other property sold for Client's Account. The parties agree to promptly notify each other upon the occurrence of a Close-Out Event or a Termination Event, but the failure to provide such notice shall not prejudice Pershing's right to determine that a Close-Out Event or Termination Event has occurred.

**6. Payments, Fees, Taxes.** In addition to the obligation to make payments and deliveries of Margin, Collateral and interest, Client agrees to promptly pay any Obligations with respect to the Account. Except as required by Applicable Law, each payment by Client, and all deliveries of Margin or Collateral, under this Agreement shall be made, and the value of any Margin or Collateral shall be calculated, without withholding or deducting any taxes (including taxes imposed pursuant to sections 1471-1474 of the Internal Revenue Code of 1986, as amended, any regulations promulgated thereunder or any intergovernmental agreement in respect thereof ("FATCA")), levies, imposts, duties, charges, assessments or fees of any nature, including interest, penalties and additions thereto that are imposed by any taxing authority ("Taxes"). If any Taxes are required to be withheld or deducted, Client shall pay such additional amounts as necessary to ensure that the actual net amount received by Pershing or Introducing Broker is equal to the amount that would have received had no such withholding or deduction been required. With respect to amounts paid or credited to Client under this Agreement, Client will provide Introducing Broker with any forms, certificates, documentation or other information reasonably requested by and acceptable to Introducing Broker in order to reduce or eliminate withholding Taxes thereon or comply with any applicable reporting requirements. Pershing or Introducing Broker is hereby authorized to withhold Taxes from any amounts paid or credited hereunder and remit such Taxes to the relevant taxing authorities to the extent required by Applicable Law. Client acknowledges and agrees that they are familiar with FATCA and as such, are responsible for all FATCA onboarding, tax reporting, withholding and compliance activities, except as otherwise provided in this

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Agreement. Client further represents (which representation shall be deemed repeated on each day on which this Agreement is in effect) that no amounts paid or credited to Client under this Agreement are subject to any withholding Taxes under FATCA. In addition, Client agrees that if (i) Client either has knowledge of, or the Internal Revenue Service or any other governmental authority notifies Client that Client is not in compliance with any applicable requirements under FATCA, (ii) any Global Intermediary Identification Number provided to Pershing or Introducing Broker by Client ceases to be valid or fails to appear on any "IRS FFI list" (within the meaning of FATCA), or (iii) any amounts paid or credited to Client may be subject to any withholding Taxes under FATCA, Client will promptly notify Introducing Broker of such fact and take any and all necessary actions such that Introducing Broker or Pershing is not required to withhold any Taxes under FATCA from any amounts paid or credited to Client under this Agreement.

As applicable, Client shall comply with provisions of (i) the intergovernmental agreement entered into by the United States and the jurisdiction of its organization ("IGA") that are the responsibility of the Client, and (ii) UK FATCA or UK CDOT and (iii) the Common Reporting Standard ("CRS") the standard for automatic exchange of financial account information ("AEOI") developed by OECD that are applicable to entities that are resident in the jurisdiction of its organization or legal entities of such jurisdiction. It is expressly understood and agreed that Pershing will apply only the tax information reporting, withholding and depositing rules that are the responsibility of a US withholding agent under U.S. federal income tax law, rules, regulations and other published guidance and not any provision of the IGA, UK FATCA or UK CDOT and/or CRS. Upon request by Pershing, Client shall furnish information and documentation that demonstrates it is compliant with the IGA, UK FATCA (UK CDOT) and/or CRS.

**7. Orders.** Except as provided in the next sentence, the giving of each sell order by Client shall constitute a designation of the sale as "long" and a certification that the securities to be sold are owned by Client and, if such securities are not in Pershing's possession, the placing of such order shall constitute a warranty and covenant by Client that Client shall deliver such securities to Pershing on or before settlement date. If Client maintains a margin account, Client agrees to designate all sell orders as "long", "short", or "short exempt". Client agrees that Pershing may cancel or "buy-in" any sell order, if such securities are not in the Account, are not timely delivered or are not in "good deliverable form." In a "buy-in," the party that failed to deliver the securities, or failed to deliver the securities in good deliverable form, is accountable for any resulting Losses. Prior to placing an order for the sale or transfer of Restricted Securities, Client agrees that it will advise Introducing Broker of the status of the securities as Restricted Securities, the nature of such restrictions and

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furnish Introducing Broker with the necessary documents (including opinions of legal counsel, if so requested) to satisfy legal transfer requirements. Restricted Securities are subject to the requirements and procedures set forth in Section II.9. Restricted Securities.

Client acknowledges that when Client, Introducing Broker or Pershing sends an order for Client's Account to an Exchange for execution, such order may be matched with a bid or offer by affiliated entities of Pershing or Introducing Broker that are specialists, market-makers and traders of these products on exchanges and in other marketplaces. Client hereby consents to the execution of all or part of Client's orders with such entities.

**8. Orders, Average Price Trades.** Client acknowledges that Pershing or Introducing Broker may, each, in its sole discretion and without prior notice to Client, refuse to accept or execute or clear or settle any order from Client and, in such case, Introducing Broker shall endeavor to give Client prior notice of such refusal. However, prior notice is not a condition precedent to taking such actions. Client agrees that Introducing Broker, in its discretion, may, but is not required to instruct Pershing to combine or "bunch" orders for Client's Account with orders for other clients' accounts or accounts in which Introducing Broker has beneficial interest and allocate the securities as proceeds acquired among the participating accounts in a manner that Introducing Broker believes is fair and equitable, and in accordance with directions of Client's agents, if applicable. In addition, there may be circumstances in which Introducing Broker does not obtain the same price or execution for all of Client's order or for the bunched order described above. In either event, Client will receive an average price for these transactions, unless Client's agent otherwise instructs. Client agrees that the confirmation price for such transactions will reference an average price execution and that details will be furnished upon request.

Cancellation of any order is not guaranteed and is rarely possible. An order will only be cancelled if the request is received by the market center to which the order was routed and matched with the order to be cancelled before it is executed. Client should not assume that any order has been executed or cancelled until it has received a transaction or cancellation confirmation from Introducing Broker. Any reporting or posting of errors, including execution prices, will be corrected to reflect what actually occurred in the marketplace. A transaction may, under Applicable Laws, be cancelled on the grounds that it was "clearly erroneous" and neither Pershing nor Introducing Broker shall have any liability for any Losses either as a result of any such cancelled transaction or Client's reliance on such confirmation. System response times may vary due to market conditions, system performance, Internet traffic or other factors. During times of heavy trading volume, orders or cancellation requests received through the

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Services may take longer to execute or cancel, and orders that are executed may be at prices that diverge significantly from the market price quoted or displayed at the time the order was entered. Absent Pershing's or Introducing Broker's respective gross negligence or willful misconduct, neither Pershing nor Introducing Broker shall have any liability for such delays.

**9. Pershing is not Providing Advice or Acting as a Fiduciary.** Client acknowledges that, unless Pershing or Introducing Broker has expressly agreed in writing otherwise, Pershing and Introducing Broker are acting in the capacity of Client's broker or dealer in connection with any transaction executed for or with Client's Account and not as a financial adviser or a fiduciary, and no information or services provided by Pershing Introducing Broker has formed or shall form a primary basis for any investment decision by or on behalf of Client. Pershing or Introducing Broker may make available certain information about securities and investment strategies, including its own research reports and market commentaries as well as materials prepared by others. None of this information is personalized or in any way tailored to reflect Client's personal financial circumstances or investment objectives and the securities or investment strategies discussed might not be suitable for Client. Therefore, Client should not view the fact that Pershing or Introducing Broker is making this information available as a recommendation to Client of any particular security or investment strategy. To the extent that Client's transactions differ from a specific recommendation made by Pershing or Introducing Broker, if any, to Client with respect to the security, size, price and timing of a recommended transaction, or to the extent there have been variations in the facts relevant to the transaction, Client agrees that neither Pershing nor Introducing Broker has any responsibility for determining the suitability of these transactions to Client

**10. Information, Reports, Statements.** Upon Introducing Broker's reasonable request, Client will promptly furnish to Introducing Broker any information that is reasonably accessible to Client about Client (including financial information) Introducing Broker believes necessary to evaluating Introducing Broker's relationship with Client. Client represents (which representation shall be deemed repeated on each day on which this Agreement is in effect) that Client's financial statements or similar documents previously or hereafter provided to Introducing Broker (i) do or will fairly present the financial condition of Client as of the date of such financial statements and the results of its operations for the period for which such financial statements are applicable, (ii) have been prepared in accordance with generally accepted accounting principles consistently applied and, (iii) if audited, have been certified without reservation by a firm of independent public accountants.

Reports or confirmations of the execution of orders and statements of Client's Account shall be conclusive if not objected to in writing within ten (10) Business Days after forwarding by Pershing or Introducing Broker to Client by

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mail, web-reporting or otherwise.

Pershing shall be under no obligation to review with Client or confirm to Client any information reporting with respect to Taxes (including Forms 1099-B) provided to Client. Client agrees to promptly notify Pershing and Introducing Broker in writing if Client makes or revokes any election pursuant to section 475(f) of the Internal Revenue Code of 1986, as amended.

**11. Custodial Arrangements.** If Pershing acts as custodian for the securities and other property in Client's Account, Pershing is authorized to register such securities and other property in the name of Pershing, or any nominee, including sub-custodians, or cause such securities and other property to be registered in the name of, or in the name of the nominee of, a recognized depository or clearing organization. Client understands that when Pershing holds on Client's behalf bonds or preferred stocks that are callable in part by the issuer, such securities will be subject to an impartial lottery allocation system in which the probability of Client's securities being selected as called is proportional to the holdings of all clients of such securities held in bulk by or for Pershing. Client further understands that Pershing may withdraw such securities from any depository prior to the first date on which such securities may be called unless such depository has adopted an impartial lottery system which is applicable to all participants. Pershing is authorized to withdraw securities sold or otherwise disposed of, and to credit Client's Account with the proceeds thereof or make such other disposition thereof as Client may direct. Pershing is further authorized to collect all income and other payments which may become due on Client's securities, to surrender for payment maturing obligations and those called for redemption and to exchange certificates in temporary form for like certificates in definitive form, or, if the par value of any shares is changed, to effect the exchange for new certificates. It is understood and agreed by Client that although Pershing will use reasonable efforts to effect the authorization set forth in the preceding sentence, Pershing will incur no liability absent Pershing's gross negligence or willful misconduct for its failure to do so. Pershing is subject to Exchange rules and regulations that may require it to forward to its clients certain written materials relating to the securities and other property in such client's Account (including proxy materials). Except as otherwise required by these rules and regulations, Pershing is not otherwise responsible for obtaining, notifying Client of its receipt of, or forwarding to Client, any written materials relating to the securities and other property in Client's Account.

Under Rule 15c3-3 of the Exchange Act ("Rule 15c3-3"), Pershing is required to obtain and, thereafter, to maintain possession or control of Client fully-paid securities and excess margin securities, as such terms are defined in that

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rule. If Pershing determines that it does not have sufficient securities under its possession or control as required (such a condition is referred to as a segregation deficiency), it is required by Rule 15c3-3 to take certain steps to obtain possession or control within that certain period of time set forth in the rule, including, without limitation, by recalling securities from loans. To the extent that Pershing has a segregation deficiency in shares over a record date for a vote, dividend or other corporate action or distribution, Pershing will allocate such deficiency to either (a) the customer(s) to whom such a deficiency is attributed (if any); or (b) if the deficiency cannot practically be attributed to any particular customer, Pershing will allocate such deficiency to its customers using a random impartial lottery. Client understands and agrees that Pershing may change its allocation method at any time. The clients to whom such deficiency is allocated will be unable to vote or give consent in respect of such corporate action.

**12. Short Sales and Locates of Borrowable Securities.** Client agrees that any order to sell short will be designated as such by Client at the time the order is placed. Short sales are sales of a security that Client does not own, or any sale completed by the delivery of a security borrowed by the seller, usually from a broker. Thus, if Client either does not own the security being sold or owns the security but does not believe the security will be in the physical possession or control of Pershing prior to settlement date, Client must so inform Introducing Broker, who will instruct Pershing to mark such sales "short." Short sales are authorized only in margin accounts, and only where Pershing can make arrangements to borrow the security. In order to complete a short sale, Pershing must be able to borrow any security that Client does not own.

Any interest or rebate of interest or other benefit Pershing may receive in connection with the loan of Client's securities or in connection with Client's short sale shall be exclusively for the account of Pershing.

Client agrees that no short sales will be effected by it through an Executing Broker as part of a Prime Brokerage Transaction or through Pershing in a non-Prime Brokerage Transaction unless a "locate" or "pre-borrow", as applicable, for such security has been obtained. Pershing shall have discretion in the selection of sources to cover any short sales, including sourcing the securities from any department within Pershing, Introducing Broker or from any affiliate. If the securities are not available for borrowing for any reason by the settlement date, Client, as the seller, will "fail to deliver" to the purchaser. A purchaser or securities lender may, in addition to other remedies and at any time after the giving of any required notice, buy-in the securities that were not timely delivered and Client will be responsible for all Losses including the costs of the buy-in. Pershing is authorized to borrow the securities necessary to enable Pershing to make delivery. Client agrees to be responsible for any cost or Losses Pershing or Introducing Broker may incur in sourcing and maintaining the borrow, or the cost Pershing or

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Introducing Broker may incur in obtaining the securities if Pershing is unable to borrow such securities. Client hereby authorizes Pershing or Introducing Broker to complete all such transactions and authorizes Pershing to make advances and expend monies as are required.

In respect of short positions maintained by Client over a corporate action record date, Pershing will, on the relevant payment date for such corporate action, if any, charge Client's Account for money or property equal in value to the cost of such corporate action attributable to Client's short position, including the costs of any lost tax benefits for the lenders. Client acknowledges that Pershing may source a borrow of securities from its own proprietary accounts or from customer margin shares. Client is ultimately responsible for the delivery of securities on the settlement date, the consequences of a failure to deliver, the timely return of securities borrowed on Client's behalf, and all costs associated with such borrowings, including costs relating to any corporate actions.

**13. Buy-in of Government Securities.** Regulations issued under the Government Securities Act of 1986 require Pershing to initiate buy-in procedures for mortgage-backed securities that have been purchased for Client and that remain in a fail-to-receive status for more than 60 calendar days (referred to below as "fully paid fails"). Mandatory buy-ins are also required to complete a sale by Client (referred to below as "sell order fails") of government securities which have not been received from Client within 30 calendar days after the settlement date (or in the case of mortgage-backed securities, 60 calendar days after settlement date). The Bond Market Association Buy-in Procedures for Mortgage Backed Securities and the Bond Market Association Buy-in Procedures for Government Securities permit the use of alternatives other than purchasing securities (e.g., securities may be borrowed, substituted or bought back) in closing out fully paid fails and sell order fails and also provide an exemption for short sales.

**14. Notice of Bankruptcy, Insolvency, Reorganization, Dissolution, Termination, Incompetence & Death.** In the event of any change which affects the manner in which the securities and other property in the Account is held (including, as applicable and without limitation, the death, resignation or incompetence of a joint owner or general partner or the bankruptcy, insolvency, reorganization, or dissolution of Client or other similar event that affects Client's legal standing), Client shall promptly give Pershing and Introducing Broker written notice thereof and, in addition to the actions permitted under this Agreement and any Contract, Pershing and Introducing Broker are both authorized to take such action, require such documents and tax waivers, and retain such portion of or restrict transactions in the Account, all as Pershing or Introducing Broker may reasonably deem advisable.

**15. Use of Name.** Each party agrees not to use the other's name for any purpose without prior written consent, including, but not limited to, in any advertisement, publication or offering material; provided, however, that Pershing and Introducing Broker consents to Client's stating in its offering documents that Pershing is its prime broker or clearing firm so long as such statement is factually accurate at the time the statement is made and it is made clear in such disclosure that Pershing and Introducing Broker have no responsibility for the preparation and accuracy of such offering documents.

**16. Background Check.** Client authorizes Pershing and Introducing Broker and any agent or service provider to use, verify and confirm any of the information that Client or its agent provides, including obtaining reports concerning Client's (and its principals') background, credit standing and business conduct and to share all such information with their successors, assigns, agents and service providers to determine Client's eligibility for an Account or any feature or otherwise.

**17. Confidential Information.** If a party has disclosed information to the other party pursuant to a confidentiality agreement or non-disclosure agreement in anticipation of negotiating or entering into this Agreement, such information will now be governed by the confidentiality terms in this Agreement. "Confidential Information" of a party shall mean all data and information relating to a party, its representatives and its employees submitted to the other party or obtained by the other party in connection with this Agreement and the services provided hereunder, including, without limitation, Non-Public Personal Information ("NPPI") as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and any rules and regulations thereunder, all as may be amended or supplemented from time to time, that relates to the customers of either party ("GLBA"), technology, products, services and other proprietary information.

Notwithstanding the foregoing, Confidential Information shall not include information which (i) was rightfully in the receiving party's possession without restriction prior to the disclosure of such information by the disclosing party; (ii) is or subsequently becomes publicly available without restriction through no fault of the receiving party or its representatives; (iii) is disclosed by the owner of such information to a third party free of any obligation of confidentiality; (iv) is received by the receiving party without restriction from a third party lawfully in possession of such information and lawfully empowered to disclose such information; or (v) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information.

The receiving party will protect the disclosing party's Confidential Information from unauthorized access, and maintain the confidentiality of the disclosing party's

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Confidential Information using procedures no less rigorous than those the receiving party uses to protect and preserve the confidentiality of its own Confidential Information of a similar nature, but in no event shall the receiving party use less than a reasonable degree of care to protect the disclosing party's Confidential Information. The receiving party shall take all reasonable measures to ensure that Confidential Information of the other party is not disclosed, duplicated, or used in any manner, in contravention of the provisions of this Agreement by such Permitted Recipients (defined below).

The receiving party is permitted to disclosure and use of Confidential Information: (i) to the extent such disclosure is not prohibited by GLBA, to its and its affiliates' personnel, officers, agents, subcontractors, partners, advisors, counsel, financial advisors and employees and third party service providers ("Permitted Recipients") for the purposes of providing services or fulfilling obligations under this Agreement, or otherwise as permitted by Applicable Law; or (ii) pursuant to any order of any court or government agency, regulatory, self-regulatory, or supervisory authority with appropriate jurisdiction (provided that the disclosing party shall give prompt notice to the non-disclosing party of such order, unless such information is provided to a governmental, regulatory or self-regulatory authority, in the course of a routine audit, examination or inspection).

Except as provided herein, neither party shall disclose, publish, release, transfer or otherwise make available Confidential Information of the other party in any form to, or for the use or benefit of, any person or entity without the other party's consent. If the GLBA or other Applicable Law now or hereafter in effect imposes a higher standard of confidentiality to the Confidential Information, such standard shall prevail over the provisions of this Agreement.

Client understands that The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). Client also understands that the BNY Mellon Group may centralize in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding Client and the Account(s) and Pershing may provide Confidential Information regarding the Client to the BNY Mellon Group for the purposes of managing, delivering or making available products and services of members of the BNY Mellon

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Group to Client. Client hereby consents and authorizes Pershing to disclose to the BNY Mellon Group information and data regarding Client, its employees and representatives, and the Account(s) established pursuant to this Agreement provided that to the extent such information is Confidential Information, such affiliates are directed to keep any such information confidential. Client represents and warrants that it is authorized to provide the foregoing consents and authorizations and that the disclosure of such information to Pershing will comply with the relevant data protection legislation. Client acknowledges and agrees that information concerning Client may be disclosed (i) to unaffiliated service providers who are required to maintain the confidentiality of such information, (ii) to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates, and (iii) otherwise as required by Applicable Law.

Client acknowledges that the services Pershing provides hereunder involve Client access to proprietary technology, trading and other systems, and that techniques, algorithms and processes contained in such systems and shall be safeguarded by Client, and that Client shall exercise reasonable care to protect Pershing's interest therein. Client agrees to make the proprietary nature of such systems known to those of its consultants, staff, agents or clients who may come into contact with such systems. Client agrees that any breach of this confidentiality provision may result in its being liable for damages as provided by law including injunctive or equitable relief.

Subsequent to the termination of this Agreement, upon request of the disclosing party, the receiving party shall return or certify destruction of all originals, copies, reproductions and summaries of Confidential Information, provided that the receiving party may retain, subject to the confidentiality obligations set forth herein, copies of the Confidential Information required for compliance with any Applicable Law to the receiving party is subject and to fulfill its internal record keeping requirements and shall not be required to erase, expunge or destroy any electronic copies of Confidential Information created as a result of automatic back-up procedures.

Client acknowledges and agrees that Pershing shall be permitted to compile and aggregate data which does not identify, directly or indirectly, Client or any of its customers ("Aggregated Data"), and use such Aggregated Data for its analytical business purposes without limitation or notice to Client.

**18. Disclaimer of Liability.** Except as otherwise provided by law or otherwise provided herein, Pershing shall not be liable for Losses by or with respect to any matters pertaining to the Account, except to the extent that such Losses are actual and direct Losses and are determined by a court of competent jurisdiction or an arbitration panel in a final non-appealable judgment or

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order to have resulted from Pershing's respective gross negligence or willful misconduct. Notwithstanding the forgoing, Pershing shall not, in any way, be liable for special, punitive, indirect, incidental or consequential damages (including lost profits, trading losses and damages).

Except as otherwise provided herein or by law, Client agrees that, even if Pershing has been advised of the possibility of damages, Pershing will have no liability to Client or to third parties, or responsibility whatsoever, for: (a) Losses resulting from a cause over which Pershing does not have direct control, including the failure of mechanical equipment, unauthorized access, theft, operator errors, government restrictions, force majeure (i.e., earthquake, flood, severe or extraordinary weather conditions, or other act of God, fire, war, insurrection, riot, labor dispute, strike, or similar problems, accident, action of government, communications, power failure or equipment or software malfunction), Exchange or market rulings or suspension of trading, (b) any special, punitive, indirect, incidental, consequential, punitive or exemplary damages (including lost profits, trading losses and damages) that Client may incur in connection with Client's use of the brokerage and other services provided by Pershing related to the Accounts, under this Agreement or any other agreement, or (c) the performance or non-performance by any Exchange, market, settlement or netting system, book entry participant, entity that Pershing or Introducing Broker uses based on customary market practice, or clearing organization, clearing firm or other third party (including banks and sub-custodians) of its or their obligations relative to any securities or other property of Client.

**19. Indemnification.** In addition, absent Pershing's gross negligence or willful misconduct, Client agrees to indemnify and hold Pershing harmless from, all Losses arising in connection with or related to the Account or this Agreement including but not limited to: (a) Client's, Client's Users', its Investment Advisor's or its agent's misrepresentation, act or omission or alleged misrepresentation, act or omission, or material violation of any term of this Agreement, (b) Pershing following Client's, or its Investment Advisor's or its agent's directions or failing to follow Client's, or its Investment Advisor's or its agent's unlawful or unreasonable directions, (c) any activities or services of Pershing in connection with the Account (including, without limitation, any technology services, reporting, trading, research or capital introduction services) and (d) the failure by any person not controlled by Pershing to perform any obligations to Client.

**20. ERISA.** If part or all of the assets of Client constitute the assets of an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Internal Revenue Code of 1986

Confidential (the "Code") or of a "plan" subject to the prohibited transaction provisions of Section 4975 of the Code by reason of Section 3(42) of ERISA or otherwise, each of Client and Investment Advisor represents and warrants on each day during the life of this Agreement and any transactions entered into hereunder, both in its individual and fiduciary capacities that: (i) no transaction engaged in by Client will constitute a non-exempt "prohibited transaction" within the meaning of Section 4975 of the Code or Section 406 of ERISA and Client shall enter into any transaction hereunder solely on the basis of determining that Client (and each employee benefit plan which constitutes the assets of Client) will receive no less and pay no more than "adequate consideration" (within the meaning of Section 408(b)(17)(B) of ERISA); (ii) Investment Advisor will be eligible to act as a "qualified professional asset manager" within the meaning of Department of Labor Prohibited Transaction Class Exemption 84-14 with respect to Client and each employee benefit plan the assets of which constitute the assets of Client; (iii) Investment Advisor will at all times meet the requirements of Section 412 of ERISA; (iv) neither this Agreement nor any transaction entered into or contemplated hereunder will violate any Applicable Law, rule, regulation or constitutional provision applicable to Client, and (v) Pershing has not provided nor will provide any advice, information or service that has constituted or will constitute a primary basis of any investment decision by or on behalf of Client, and Pershing is not nor shall become a fiduciary with respect to Client by reason of its services provided hereunder. Each of Pershing and Client (and each person acting on Client's behalf) agrees that they shall not treat the assets pledged as Collateral by Client in connection with any transaction entered into under this Agreement as "plan assets" under ERISA or Section 4975 of the Code.

**21. Power and Authority.** As of the date hereof and on each date on which a transaction is in effect for Client's Account, a Contract is in effect or an Obligation is outstanding, Client represents and warrants that (a) Client is duly organized and validly existing under the laws of the jurisdiction of its organization; (b) Client has all necessary power and authority to execute and perform the Contracts and that the execution and performance of the Contracts will not cause Client to violate any provisions in its charter, by-laws, partnership agreement, trust agreement or other constituent agreement or instrument, and that neither any Contract nor any transaction entered into or contemplated under any Contract will violate any Applicable Law (including, without limitation, any provision of ERISA, Section 4975 of Code or any tax "qualification" rule under the Code or, if applicable, Section 17 or 18 of the Investment Company Act of 1940); (c) Client will not transact on the base of, or in reliance on, material non-public information; (d) the Contracts, as amended from time to time, are a legal, valid and binding obligations, enforceable against Client in accordance with their terms;

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and (e) no litigation, arbitration or administrative or self-regulatory proceeding or claim or governmental investigation is in progress, pending, or, to Client's knowledge, threatened to which Client or any of its representatives or any of its properties is or would be subject. Each of the persons executing this Agreement on Client's behalf represents that he or she acting alone has full power and authority to deal with Pershing and Introducing Broker on Client's behalf without notice to Client or any other undersigned person. Client agrees that Pershing and Introducing Broker will be entitled to act upon the instructions of any officer, director, agent or employee of Client having actual or apparent authority to act on behalf of Client.

**22. Entire Agreement.** This Agreement and all related documentation hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by either party hereto. The rights and remedies set forth in this Agreement are intended to be cumulative and not exclusive. Except as provided herein, neither this Agreement nor any provision hereof is intended to confer upon any person other than the parties hereto any rights or remedies hereunder. The fulfillment of any and all obligations of Pershing to Client hereunder is contingent upon there being no breach, repudiation, misrepresentation, Close-out Event, Termination Event or default or potential default (however characterized) by Client under this Agreement or any Contract.

**23. Governing Law, Successor and Assigns, Waiver.** This Agreement and its enforcement, and each transaction entered into hereunder and all matters arising in connection with this Agreement and transactions hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, without reference to its choice of law doctrine, and its provisions shall cover individually and collectively all Accounts which Client may maintain with Pershing, provided, however, this shall not otherwise limit Pershing from exercising rights available under any other agreement or by operation of law or otherwise. As between Client and Pershing, both agree that the securities intermediary's jurisdiction, within the meaning of Section 8-110(e) of the UCC, in respect of the Account is the State of New York and the law applicable to all the issues specified in Article 2(1) of the Hague Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary ("**Hague Securities Convention**") is the law in force in the State of New York and agree that none of them has or will enter into any agreement to the contrary. Client understands that federal and state laws, and the rules and regulations of

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Exchanges and self-regulatory organizations, are subject to change, and therefore Pershing may be required to change its procedures to conform to Applicable Law. This Agreement is binding upon and inures to the benefit of Pershing (and Introducing Broker as a third-party beneficiary), Client and our respective legal representatives, successors and permitted assigns. Neither Pershing nor Client may assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party, except for an assignment and delegation by Pershing of all of Pershing's rights and obligations hereunder to any affiliate or successor, which may be undertaken by giving Client prior notice. Notwithstanding the foregoing, any actions taken by or authorized to be taken by Pershing under this Agreement may be taken by or through the use of agents of Pershing or Introducing Broker. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision, or a continuing waiver of the provision or provisions so waived. All waivers and modifications must be in writing. Any purported assignment in violation of this Paragraph will be void.

**24. Modification and Termination.**

Client agrees that Pershing may modify the terms of this Agreement at any time upon prior written notice. By continuing to accept the services hereunder, Client has indicated acceptance of any such modification. If Client does not accept such modification, Client must notify Pershing in writing and this Agreement and any Accounts hereunder may be terminated by Pershing after which Client agrees to remain liable for all outstanding Obligations. Otherwise this Agreement may not be modified unless agreed by the parties in writing. Except as otherwise provided herein each party agrees that this Agreement and the Accounts maintained hereunder may be terminated by either party at any time effective upon the giving of notice of such termination to the other party. The following paragraphs shall survive the termination of this Agreement: V.17 Confidentiality, V.18 Disclaimer of Liability, and V.19 Indemnity. Without limiting the foregoing, upon any such termination, the provisions of this Agreement shall remain in effect with respect to all securities and other property then held in such Accounts, all assets subject to the security interest hereunder, all transactions and Contracts then outstanding between Client and Pershing and all outstanding Obligations of Client to Pershing (which include any Obligations that may arise as a result of any action or any failure to act pursuant to this Agreement during the term of this Agreement).

**25. Severability.** If any provision of this Agreement shall be held to be invalid, void or unenforceable, the validity or enforceability of the remaining provisions and conditions shall not be affected thereby.

**26. Headings.** Headings herein are for convenience only and are not of substantive effect.

**27. Non-Exclusivity of Remedies.** The enumeration

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herein of specific remedies shall not be exclusive of any other remedies. Any delay or failure by a party to this Agreement to exercise any right, power, remedy, or privilege herein contained, or now or hereafter existing under any applicable statute or law, shall not be construed to be a waiver of such right, power, remedy, or privilege. No single, partial, or other exercise of any such right, power, remedy, or privilege shall preclude the further exercise thereof or the exercise of any other right, power, remedy, or privilege.

**28. Arbitration.** This Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

(a) All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.

(b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.

(c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.

(d) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.

(e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(f) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.

(g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

Client agrees that any and all controversies that may arise between Client and Pershing and/or Introducing Broker, as applicable, including, but not limited to, those arising out of or relating to the transactions contemplated hereby, the Accounts established hereunder, any activity or claim related to Client's Accounts or the construction, performance, or breach of this Agreement shall be determined by arbitration conducted before The Financial Industry Regulatory Authority ("FINRA"), or, if FINRA declines to hear the matter, before the American Arbitration Association, in accordance with their arbitration rules then in force.

The arbitrator(s) may not grant an award of attorneys' fees to or against any party, unless specifically agreed to in writing by the parties to the arbitration or as may

be specifically permitted by Applicable Law.

The award of the arbitrator(s) shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

- (i) the class certification is denied;
- (ii) the class is decertified; or
- (iii) Client is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

**29. Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute a single agreement.

**Notices.** All notices and other communications provided to Client hereunder shall be in writing and either posted onto the Internet in a form agreed to by the parties or mailed, electronically mailed, faxed, or delivered to the address of the intended recipient specified on the signature page or to such other address as such intended recipient may provide, provided that Pershing has received such address and had a reasonable time to act on any notice of a change. All communications sent to Client, whether through the Internet, or by mail, fax, messenger or otherwise, shall be deemed received as of the date of delivery or the date delivery was attempted; provided that delivery was attempted between 9am-5pm Eastern Standard Time on a Business Day. Otherwise delivery shall be deemed effective as of 9am Eastern Standard Time on the following Business Day. Any notice or communication to Pershing provided under this Agreement shall be addressed to the manager of the Pershing department or office handling the Account.

**30. Limited Recourse.** Any amounts owed or liabilities incurred by Client in respect of any transaction entered into under this Agreement may be satisfied solely from Client's assets. Without limiting the generality of the foregoing, in no event shall Pershing have recourse, whether by setoff or otherwise, with respect to any amount owed or liabilities incurred by Client or on Client's behalf, to or against (a) any assets of any person or entity (including without limitation, any person or entity whose account is under the management of the Investment Advisor) other than Client, (b) any assets of the Investment Advisor or any affiliate of Investment Advisor or (c) any assets of any member, shareholder, partner, principal or controlling person of Client or Investment Advisor. Provided, however, nothing herein shall be construed to as a waiver of any valid claim or cause of action Pershing or Introducing



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Broker may have against any person or other entity, independent of Client's Obligation hereunder.

### 31. Definitions.

**"Applicable Law"** means all laws, rules and regulations, of all U.S. and if applicable, non-U.S., federal state and local governmental authorities, self-regulatory organizations, markets, exchanges, depositories and clearing corporations where Client's transactions are executed, cleared or settled, as in effect at any time.

**"Authorization for Electronic Delivery"** means the document executed by Client for the electronic delivery of certain documents and information. The Authorization for Electronic Delivery shall supplement and form part of this Agreement.

**"Base Rate"** means the base interest rate established by Pershing for Client used in the calculation of interest charges and credits relating to positions in Client's Account.

**"Business Day"** means any day on which both (i) the New York Stock Exchange is open and conducting business and

(ii) The Bank of New York Mellon, located in New York City, is open and conducting business.

**"Collateral"** means (i) each deposit, custody, securities or other account for Client with, carried by or through Pershing or otherwise subject to the control of Pershing, including all Accounts and, if applicable, any Special Custody Accounts established by Pershing, Client and a custodian (ii) cash, securities, other financial instruments and other property and assets, which may be deposited, credited, held or carried in any Account, (iii) all of Client's rights, title or interest in, to or under any Contract including all rights against Pershing, and (iv) all security entitlements, income and profits, voting rights, redemption rights, proceeds, dividends, interest and other payments and distributions with respect to the foregoing, which are deposited in or credited to, or held, carried, or maintained by Pershing or in the possession or control of Pershing or which are, or may become, due to Client (either individually or jointly with others or in which Client has any interest).

**"Contract"** means an agreement between Client and Pershing to which Client has any obligations or holds any rights, including this Agreement.

**"Losses"** means any expense, losses, damages, liabilities, demands, charges, claims, penalties, fines and excise taxes of any kind or nature (including legal expenses and attorneys' fees related to enforcing any rights to indemnification or otherwise).

**"Obligation"** means any obligation liability owing with respect of, any Account or any Contract (whether or not mature or contingent), including, without limitation: (i) all brokerage charges, commissions and service fees, (ii) all

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contract market exchange, sub-custodian or clearinghouse fees or other charges and losses in any Account, (iii) any principal balance of any advances made by Pershing or Introducing Broker to or for the benefit of Client, (iv) any debit balance owing with respect to the Account, (v) any obligation to deliver Margin, (vi) any obligation to deliver

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or return Collateral, (vii) any deficiency in any Account, (viii) any taxes, fees, fines, penalties or other charges imposed by any governmental or self-regulatory authority, taxing authority or court of competent jurisdiction, (ix) any charge or claw-back owing as a result of corporate actions related to positions in the Account, and (x) all payment and delivery, repayment, delivery, costs to cover and extension of credit obligations and all indebtedness, obligations and potential obligations, whether or not mature or contingent, related to the clearance and settlement of orders or the purchase, sale, transfer or loan of securities or other assets (including any failure of the foregoing) pursuant to the Account or this Agreement, as well as reasonable legal and other expenses incurred in connection with the enforcement of this Agreement.

**“On Demand”** means (1) if a demand is made by 10:00 a.m. Eastern Standard Time, payment shall be made by 5:00 p.m. that Business Day; and (2) if a demand is made after 10:00 a.m. Eastern Standard Time, payment shall be made by 12:00 p.m. Eastern Standard Time on the following Business Day.

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**VI. SIGNATURE PAGE**

Terms and Conditions

By signing below, the Client, or its Agent on behalf of the Client, pursuant to a certain Third-Party Authorization, agrees to the terms and conditions set forth herein, including the following:

- 1. **THE SECURITIES IN CLIENT’S MARGIN ACCOUNT(S) AND ANY SECURITIES FOR WHICH CLIENT HAS NOT FULLY PAID, TOGETHER WITH ALL ATTENDANT OWNERSHIP RIGHTS, MAY BE LOANED TO PERSHING OR LOANED OUT TO OTHERS; AND**
- 2. **THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE AT SECTION V, PARAGRAPH 28 OF THIS AGREEMENT.**

**CLIENT**

By: \_\_\_\_\_  
 Printed Name of Client \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 Printed Name of Authorized Signer for Client \_\_\_\_\_ Printed Title of Authorized Signer for Client \_\_\_\_\_

\_\_\_\_\_  
 Signature \_\_\_\_\_

**INVESTMENT ADVISOR (if applicable)**

On behalf of itself with respect to Section I.7 and IV.20

By: \_\_\_\_\_  
 Printed Name of Agent \_\_\_\_\_ Printed Name of Client’s Agent \_\_\_\_\_

\_\_\_\_\_  
 Printed Name of Authorized Signer for Agent \_\_\_\_\_ Printed Title of Authorized Signer for Agent \_\_\_\_\_

\_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

**PRIME BROKER**

By: \_\_\_\_\_  
 Printed Name of Prime Broker \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 Printed Name of Authorized Signer for Prime Broker \_\_\_\_\_ Printed Title of Authorized Signer for Prime Broker \_\_\_\_\_

\_\_\_\_\_  
 Signature \_\_\_\_\_

### Margin Disclosure Statement

Pershing is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement governing your account. Consult your account representative at Pershing regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Pershing. If you choose to borrow funds from Pershing, you will open a margin account with Pershing. The securities purchased are Pershing's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, Pershing can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include, without limitation, the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to Pershing to avoid the forced sale of those securities or other securities or assets in your account(s).
- **Pershing can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or Pershing's higher "house" requirements, Pershing can sell the securities or other assets in any of your accounts held at Pershing to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **Pershing can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms, including Pershing, will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, Pershing has the right to decide which security to sell in order to protect its interests.
- **Pershing can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.