

Principal Broker.

*No cheques whether or not payable to you shall be lodged with the Introducing Broker.

*Delete whichever is inapplicable.

CLIENT ACKNOWLEDGEMENT

FORM 2 – For use by Affiliate Member with Non-Clearing Member Client

TO:

(Affiliate Member)

I

(Client)

of

hereby acknowledge that:

1. I have given consideration to my objectives and my financial situation and needs and I have formed the opinion that it would be desirable or appropriate for me to trade in futures contracts or option contracts. I acknowledge that trading in futures and/or option contracts incurs the risk of loss as well as the prospect of profit and that I have read and understand the Statement of Risk attached hereto. I am also aware that upon entering into certain classes of futures and/or option contract there is created an obligation or contingent obligation upon me to give or take delivery or to comply with any cash settlement requirement pursuant thereto as the case may be.
2. You will be making or instructing another broker (a 'principal broker') to make offers or bids on my behalf on futures and/or option exchanges and you and/or the principal broker will be making such bids or offers as principal. I am aware that in the same trading you may make and/or instruct a principal broker to make offers or bids on your own account, or on behalf of other clients, in either case taking the opposite position to me in a futures or option contract, and I acknowledge the right of you and/or the principal broker to do so, provided the trading occurs in accordance with the business rules of the relevant exchange.
3. I am aware that in relation to trading conducted on my behalf on any futures or option exchange any benefit accorded to you or the principal broker by way of the guarantee from the relevant clearing house does not pass to me and I hereby waive any claim to the benefit of that guarantee which but for this acknowledgement I may have been deemed to have. This acknowledgement is made on the basis that any liability to the relevant clearing house will not pass to me unless I become a member of that clearing house and contracts are registered in my name with that clearing house.
4. I am aware that in respect of contracts traded by you on my behalf and instructions given to the principal broker by you on my behalf you and/or the principal broker as the case may be, will assume liability as a principal under the business rules of the relevant exchange and/or clearing house and I acknowledge further that:
 - (a) You may call upon me for payment, or the lodgement of cover, of such amounts by way of initial or variation margins as you in your discretion feel to be necessary to protect your position and that of the