

This is a summary of some of the important information contained in the CFD Terms of Business for Non-US Residents between you and CMC Markets Canada Inc. (“**CMC Markets**”). In this document, CMC Markets is referred to below as “**we**”, “**us**” or “**our**”.

1. About Us.

CMC Markets is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF). We are here to execute your trading instructions; we do not provide advice or recommendations. All trades and investment decisions on your account are made by you. Our platform executes trading instructions on a wide range of products (FX, Commodities, Equities, Indices and Treasuries) through the use of contracts for difference (CFDs). We offer margin accounts to retail clients.

Investing in CFDs or other financial derivatives products carries a high level of risk to your capital. The prices of CFDs may change to your disadvantage very quickly. It is possible to lose more than any initial investment and you may be required to make further payments. These products may not be appropriate for all investors. Therefore you should ensure you understand the risks involved and seek independent advice if necessary.

2. Introducer Broker

You have been introduced to CMC Markets by a third party introducing broker (“**Introducing Broker**”). CMC Markets and the Introducing Broker have entered into an arrangement pursuant to which the Introducing Broker will refer and introduce clients to CMC Markets.

Details of the Introducing Broker and the services that it provides to you can be found in a separate agreement between you and the Introducing Broker.

CMC Markets acts on a principal-to-principal, non-advisory and execution only basis. If you have appointed your Introducing Broker as an agent to act on your behalf and have entered into a limited appointment of agent agreement (“**LAOA**”), CMC Markets will accept trading instructions from the Introducing Broker in relation to your trading account. CMC Markets is not responsible for the acts or omissions of the Introducing Broker.

If you decide to terminate your agreement with the Introducing Broker or to revoke any LAOA, you must notify CMC Markets immediately.

2. Important Client Information.

Obtaining and maintaining correct Know-Your-Client (**KYC**) information on you is a regulatory requirement. We also have a responsibility to demonstrate to our regulators that the high risk nature of CFD trading is consistent with your financial status, trading experience and investment knowledge. To accomplish this, we will need to collect information from you, including but not limited to, information required to:

- verify your identity;
- assess your financial circumstances (including details of your employment, annual salary and net worth) and your trading knowledge and experience;
- ascertain whether you are an insider or controlling shareholder in a public company or a politically exposed person;
- ascertain, if you are opening a corporate account, the nature of the business and specifics of any holdings and the identities of any individual who owns (directly or indirectly) or controls more than 10% of the corporation's shares; and
- confirm that the opening of a CFD account is suitable based on the information provided. For the avoidance of doubt, as an execution-only dealer once your account is opened we are not required (and do not) assess whether or not each individual trade is suitable for you.

If, at any time in the future, you make any changes that could affect (in particular) your income, investment objectives, risk tolerance, net worth or regulatory obligations, please let us know so we can ensure that the information we have on you is up to date. When CMC Markets becomes aware of a material change to your KYC information, we are required to demonstrate to our regulators that your account is still appropriate based on the revised information. At a minimum, CMC Markets will request that you confirm the information you have provided to us on an annual basis. If you do not respond to our request for confirmation your account may be restricted from opening new positions. You should acquaint yourself with all relevant sales literature and other documents pertaining to your investments. Carefully reviewing all your sales, legal and other documents will help you fully understand your investments. Our representatives are trained to provide you with the support you need to manage your investment account, but will not provide you with any investment advice. We encourage you, where appropriate, to seek independent advice from appropriately qualified professionals.

3. Risks of Trading CFDs.

Our CFDs can carry a high risk to your capital as prices may move rapidly against you. You can lose more than any initial investment and you may be required to make further payments. Please note that the higher the leverage, the higher the risks involved. You should not enter into trades with us unless you fully understand the risks involved. If you are in any doubt you should seek independent professional advice.

This document cannot and does not disclose or explain all of the risks and other significant aspects involved in trading in CFDs and other financial derivative products. You should take sufficient time to read all the relevant information that we provide to you, including our Risk Warning Notice, our CFD Terms of Business, our Order Execution Policy Summary for CFDs, and the information on our website and platform. In light of the risks, you should undertake to trade CFDs only if you understand the nature of the product and contractual relationships into which you are entering and the extent of your exposure to risk.

In addition to the above, when clients open an account with CMC Markets, they will receive: CMC Markets' Risk Warning Notice for CFDs, Order Execution Policy for CFDs, CFD Terms of Business and Relationship Disclosure Document. Clients will also receive IIROC's mandatory disclosure documentation: How IIROC protects investors, Making a Complaint: A Guide for Investors Part 1 of 2, How Can I Get My Money Back: A Guide for Investors Part 2 of 2.

4. Conflicts of Interest.

In the event that CMC Markets enters into future business relationships that may be perceived to compromise the independence of our client service or supervision of accounts, clients will be advised of the specifics of the potential conflict via e-mail and/or special insert into their regular monthly statement. If we have opened your account pursuant to a referral arrangement, we will provide you with the prescribed regulatory disclosure regarding the compensation structure paid to the referring agent.

It is important that you review and understand our conflict of interest policy, which is on CMC Markets' website, prior to opening an account.

5. Fee Structure.

CMC Markets will pay fees, commissions, and other remuneration to the Introducing Broker in accordance with the agreement between you and the Introducing Broker.

The applicable fees will be remitted to the Introducing Broker from your trading account as outlined below:

- I. The Introducing Broker to notify CMC Markets of the agreed fees and the basis of calculation of the fees (where applicable) and of any changes to the fees or the basis of calculation; and
- II. CMC Markets to calculate (where applicable) and deduct any such fees payable to the Introducing Broker from any money held by CMC Markets in your account and pay the fees to the Introducing Broker on the your behalf from time to time; and
- III. Any deductions will be made inclusive of all taxes, duties or levies, however designated or computed, including but not limited to value added taxes (or similar); and
- IV. The fees will be deducted from you on monthly basis.

6. Reporting.

We will report to you about your account on an ongoing basis by providing trade confirmations and account statements.

Trade confirmations: We will always deliver a confirmation for every trade opened or closed on your account, within two business days of the executed transaction. Trade confirmations are incorporated in the daily account statements, which are accessible on the trading platform. You can also elect to have the statements delivered to your email address.

The trade confirmation will contain details about the trade including:

- the quantity and description of the trade;
- the consideration paid for the trade; and
- the commission paid, if any, in respect of the trade.

Account statements: Daily and monthly statements are generated for your account when there is a cash balance or trading activity. CMC Markets provides a monthly account statement for your account which is available after 5 business days of the preceding month. The monthly account statement is available on your trading platform and you can elect to have it delivered to your email address. The monthly account statement is an amalgamation of the information relating to your account for the previous calendar month.

The account statements provide you with all of the relevant account activity information pertaining to your account, which includes:

- the opening and closing balance of the account;

- all deposits, credits, withdrawals and debits made to the account;
- the quantity and description of each CFD opened and closed and the applicable dates;
- the quantity, description and value of each CFD held on the account; and
- any applicable commission and costs.

An investment performance report is provided to you for a 12-month period ending in December of each year.

An annual statement is provided to you for a 12-month period ending in December of each year. It is a summary of the account activities including all fees and charges, which have occurred in your accounts throughout the year.

CMC Markets does not provide benchmark comparisons or account percentage returns due to the highly speculative nature of trading CFDs. The performance of your securities are measured through realized and unrealized profits/loss amounts noted in your account statements. In addition to this you will be able monitor your margin balances and open positions on a real time basis on our platform.

7. Complaint Resolution.

CMC Markets has a comprehensive complaint resolution process designed to ensure that any disputes that may arise between our clients and our employees or firm are investigated thoroughly and objectively, and addressed in a timely manner. Information related to CMC Markets complaint handling process is available on our website. At any time you can also contact us by telephone or e-mail to discuss the complaint process and your options.

8. Contact Us.

If you require any further information relating to your investments, account or any other matter of concern to you in your investment relationship with us, please contact our client management team at 416-682-5000 or clientmanagement@cmcmarkets.ca.