

Account Number \_\_\_\_\_

FA/Rep ID \_\_\_\_\_ Alternate Branch \_\_\_\_\_

Workflow Case ID \_\_\_\_\_

**OPTIONS CLIENT AGREEMENT AND APPROVAL FORM****CLIENT INFORMATION**

Name and Address of Primary Account Owner/Trustee/Entity		Name and Address of Joint Owner (if joint account)	
Home Phone	Business Phone	Home Phone	Business Phone
Complete for Individual or Trustee (Not required for Entity)		Complete for Individual or Trustee (Not required for Entity)	
Marital Status	Date of Birth	Marital Status	Date of Birth
Number of Dependents	Occupation	Number of Dependents	Occupation
Employer Name and Address ( <i>If retired, state previous employer.</i> )		Employer Name and Address ( <i>If retired, state previous employer.</i> )	

**ACCOUNT INFORMATION**

Estimated Annual Income	Liquid Net Worth	Net Worth (Excluding Home)/Net Equity
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**ACCOUNT TYPE**

For approval of account types 5-9, Certificate of Investment Powers form required that states the type of options strategies that may be employed.

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> 1. Individual or Joint   | <input type="checkbox"/> 4. RBC CM Retirement Plan     | <input type="checkbox"/> 7. Partnership |
| <input type="checkbox"/> 2. Custodian (UTMA/UGMA) | <input type="checkbox"/> 5. Non-RBC CM Retirement Plan | <input type="checkbox"/> 8. Trust       |
| <input type="checkbox"/> 3. Sole Proprietor       | <input type="checkbox"/> 6. Corporation                | <input type="checkbox"/> 9. Other _____ |

Is the account being traded by power-of-attorney or trading authorization?  Yes  
 (If **yes**, attach a copy and complete a separate options approval form for the agent.)  No

Does the Financial Advisor have approved discretionary authority to place trades in the account without prior client approval?  Yes  
 No

Date a copy of the current disclosure document was furnished to client: \_\_\_\_\_.



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**OPTIONS CLIENT AGREEMENT AND APPROVAL FORM****INVESTOR PROFILE****Investment Objective** (choose one)

- Preservation of Principal/Income** – Focus is on preserving principal and generating current income.
- Balanced Growth** – Focus is on generating current income and/or long-term capital growth.
- Growth** – Focus is on generating long-term capital growth.
- Aggressive Growth/Aggressive Income** – Focus is on generating growth and/or income at greater than market rates.
- Speculation** – Focus is on generating maximum possible returns.

**Risk Tolerance.** Please indicate your risk tolerance specific to the investments in this account.

- I am willing to accept **minimal risk**, even if that means my investment does not generate significant income or returns and may not keep pace with inflation.
- I am willing to accept **low risk**, including low volatility, and understand I could lose a modest amount of my investment.
- I am willing to accept **moderate risk**, including some volatility, to seek higher returns and understand I could lose a portion of my investment.
- I am willing to accept **high risk**, including high volatility, and understand I could lose a substantial amount of my investment.
- I am willing to accept **maximum risk** and understand I could lose all of my investment.

**EXPERIENCE**

Type of Experience		Length of Time (years)	Type of Previous Options Experience				
<b>Options</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No			<b>Buying</b>	<b>Covered Writing</b>	<b>Spreads</b>	<b>Uncovered Writing</b>
<b>Stocks</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No						
<b>Bonds</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Stock Options</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Commodities</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Index Options</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No



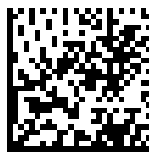
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**OPTIONS CLIENT AGREEMENT AND APPROVAL FORM**

STRATEGIES	COMPLIANCE APPROVAL
<input type="checkbox"/> <b>Level 1</b> <b>Covered Equity/Index Call Writing</b> – Calls fully covered by the underlying stock/index. If assigned, client will be required to sell sufficient shares of stock/index at the strike price which may be substantially lower than the current market price. Potential for loss on the stock/index position is substantial. The hedging benefit of the option is limited only to the amount of the premium received. <b>Buying Equity/Index Puts Against Long Stock/Index Position</b> – Losses are limited to the premium paid. Used as insurance against a decline in a long stock/index position.	
<input type="checkbox"/> <b>Level 2</b> (Includes Level 1 Approval) <b>Cash-Backed Equity/Index/Foreign Currency Put Writing</b> – Client must hold in the account 100% of the cash needed to pay for the underlying stock/index at the strike price during the life of the option. This balance will not be invested in the client’s elected sweep fund.	
<input type="checkbox"/> <b>Level 3</b> (Includes Level 2 Approval) <b>Purchasing Equity/Index/Foreign Currency Puts and Calls</b> – Losses are limited to the premium paid. If position is not closed or exercised, options will expire worthless on expiration date.	
<input type="checkbox"/> <b>Level 4</b> (Includes Level 3 Approval) <b>Equity/Index/Foreign Currency Spreads</b> – Requires the use of margin. If the long position is closed out, leaving only a short position, the investment becomes high risk due to the potentially unlimited financial risk assumed and such clients may be required to request approval as Level 5 options investors.	
<input type="checkbox"/> <b>Level 5</b> (Includes Level 4 Approval) <b>Equity/Index/Foreign Currency Put Writing on Margin</b> – Client may use cash and marginable securities to fulfill the margin requirement for the option position.  <b>Uncovered Equity/Index/Foreign Currency Call Writing</b> – If a client is assigned an Equity option, they may be required to purchase sufficient shares of the underlying stock in the open market at the prevailing market price which may be substantially higher than the strike price in order to satisfy delivery. If assigned an Index option, client must deliver, in cash, the difference between the option strike and the Index settlement value, which may be substantial. Uncovered call writing requires the use of margin and carries unlimited financial risk.  <b>Writing Equity/Index/Foreign Currency Combinations/Straddles</b> – Risk component must be evaluated on a case by case basis. These strategies require the use of margin and present unlimited financial risk.  <b>Special Signature Required for Level 5 Options Investors</b>  <b>I represent that I am a knowledgeable and sophisticated investor and I hereby request that my account be approved for high risk options strategies. I further represent that my risk exposure and losses taken from options trading will be significantly within my financial capabilities.</b>  <hr/> Client Special Signature _____ Date _____  <hr/> Client Special Signature _____ Date _____	



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## OPTIONS CLIENT AGREEMENT AND APPROVAL FORM

### CLIENT OPTIONS AGREEMENT

This agreement shall apply to all transactions handled for any account of mine. In this agreement the terms “you” and “your” mean my brokerage firm. I agree to advise you in writing of any changes in my financial situation, needs, experience, knowledge and investment objectives insofar as I deem such changes material to any options transactions.

I understand that any options transaction made for any account of mine is subject to the rules, regulations, customs and usages of the respective exchange, Clearing Corporation or market where such transaction was executed. I, acting individually or in concert with others, will not exceed any applicable position or exercise limits imposed by an exchange or other market with respect to options trading. I further understand that it may be necessary to report to the proper regulatory authority my position in a class of options having the same underlying security. Due to the short-term nature of options, it is likely that I will be trading such options more frequently than stocks and/or bonds. I understand you will charge me a commission in connection with the exercise of any options and each time an options trade is effected.

I believe that I am capable of evaluating, carrying and bearing the financial risks and hazards of options trading, especially those attendant to (a) the writing of a call on a security which is not long in my account with you or which I do not contemplate purchasing concurrently with such call and (b) the writing of a put on a security not presently short in my account. I agree that I will in no way hold RBC Correspondent Services, a division of RBC Capital Markets, LLC (“RBC CM”) as clearing firm, Member NYSE/FINRA/SIPC, its officers, directors, employees, or agents responsible for such losses incurred through following trading recommendations or suggestions offered to me by your representatives.

In the event I do not satisfy on a timely basis a request for funds or collateral, RBC CM is authorized at its sole discretion and without notification to me to take any and all steps it deems necessary to protect itself.

I understand that it is my responsibility to give you specific instructions, notice, or directives with respect to taking any action to exercise, sell, or liquidate an option prior to the expiration date of that option. I understand that in the event I fail to give you instructions or take action regarding options positions which are about to expire, RBC CM may in its sole discretion exercise, sell, or liquidate those positions; however, RBC CM is under no obligation to do so and shall not be liable for any failure to act. I will bear full responsibility for taking action to exercise a valuable option.

I understand that RBC CM randomly assigns exercise notices to clients and that all American-style short options positions are subject to assignment at any time, including new positions that were just established. I understand that I may request a detailed description of the random allocation procedure and that exercise assignment notices are allocated according to an automated procedure by which selection is made randomly from among all client short positions.

In the interest of better customer service and for our mutual protection, I agree to immediately report any trades or transactions that were executed without my authorization; any transactions which are not properly reflected on my confirmation or monthly statement; or any other activities or omissions that I believe to be improper. Such communication will be directed to the Manager of the branch office where my account is maintained or RBC CM. Unless I promptly object, verbally and in writing, confirmations of transactions and statements for my account shall be binding upon me.

If any provision or condition of this agreement is held to be invalid or unenforceable by any court, regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions of this agreement shall not be affected thereby, and this agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

Except to the extent to which they conflict with this agreement, if I have executed an RBC Express® Credit Agreement with RBC CM, the provisions of such an RBC Express Credit Agreement are incorporated here in by reference. In the event of a conflict between the two agreements, this agreement shall control.

### AGREEMENT TO ARBITRATE DISPUTES

This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- 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.
- Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- 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.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- 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 to court.
- The rules of arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

The Client agrees, that any controversy arising out of or relating directly or indirectly to this Agreement, or any investment by the Client hereunder, or with respect to transactions of any kind executed by or with RBC CM, any introducing broker for the Account, or each of their respective officers, directors, agents, employees, or affiliate, or with respect to this Agreement or any other agreements entered in to with RBC CM or the introducing broker relating to the Accounts with RBC CM or the breach thereof, shall be settled by arbitration pursuant to the Federal Arbitration Act and in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority (“FINRA”).

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; or (ii) the class is decertified; or (iii) the customer 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.



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**OPTIONS CLIENT AGREEMENT AND APPROVAL FORM****SPECIAL STATEMENT FOR UNCOVERED OPTION WRITERS**

There are special risks associated with uncovered option writing, which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all clients approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
3. Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's option position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's RBC Express Credit Agreement.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only on expiration date.

**NOTE:** It is expected that you will read the booklet entitled **CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS** available from your Financial Advisor. In particular, your attention is directed to the chapter entitled *Risks of Buying and Writing Options*. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

**SIGNATURES**

**Important: Before signing, please read the agreement in its entirety (pages 1 - 5).**

- I have received the Disclosure Document, "Characteristics and Risks of Standardized Options," and am aware of the special risks inherent in options trading.
- I confirm that my financial information, investment experience, and objectives as stated on pages 1 through 3 are accurate.
- I agree to inform my Financial Advisor of any material changes in the above information.
- I have read, understand, and agree to the terms and conditions on this form.
- I acknowledge that all options transactions will be in accordance with recommendations made by my introducing broker and that RBC Capital Markets, LLC has no duty to assess the suitability of such transactions.

**This agreement contains a pre-dispute arbitration clause, listed on page 4 in bold print.**

Client Signature	Date	Client Signature	Date
Print Name from Signature Above		Print Name from Signature Above	
Financial Advisor Signature	Date	Approved by: Authorized Firm Signature	Date
Compliance Approval	Date	Date of Initial Transaction	