

Terms and Conditions to Trade Options on Upstream

U.S. persons may not deposit, buy, or sell **securities** on Upstream.

U.S. persons may not write, buy, or sell **options** on Upstream.

U.S. persons may not buy or sell **warrants** on Upstream.

The following disclosed risks must be agreed-to by any Upstream trader wishing to engage in the trading of options or warrants on Upstream.

Furthermore, each trader will be required to pass a test on what options trading entails prior to being permitted to trade options or warrants.

Risks, Disclosures and Apply for Permission to Trade Options

I understand that there are specific risks associated with buying options, including the risk of the purchased options expiring worthless.

I understand that an options investor may lose the entire amount of an investment in a relatively short time.

I understand that because of the importance of tax considerations to all options transactions, investors considering options should consult their tax adviser as to how taxes may affect the outcome of different options strategies and each options transaction.

I understand that Upstream fees may be a significant factor in the potential profitability of an options trade.

I understand that an option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an Upstream option is subject to being exercised by the option holder at any time until the option expires. An assigned writer will not receive notice of the assignment until after the assignment has been made. Once assigned an exercise, the assigned writer will deliver (in the case of a call) or purchase (in the case of a put) the underlying stock.

I understand that the writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying stock above the option price, but continues to bear the risk of a decline in the value of the underlying stock. Unlike a holder of the underlying stock who has not written a call against it, the covered call writer has (in exchange for the premium) given up the opportunity to profit from an increase in the value of the underlying stock above the exercise price. If they are assigned an exercise, the net proceeds that they realise from the sale of the underlying stock pursuant to the exercise could be substantially below its prevailing market price.

I understand that the risk of writing put options is substantial. The writer of a put option bears a risk of loss if the value of the underlying stock declines below the exercise price, and such loss could be substantial if the decline is significant. The writer of a put bears the risk of a decline in the price of the underlying interest — potentially to zero. A writer of a put who is assigned an exercise will purchase the underlying stock at the exercise price — which could be substantially greater than the current market price of the underlying stock.

I understand that disruptions in the markets for underlying stocks could result in losses for options investors. Upstream has discretion to halt trading in an option in certain circumstances — such as when the market determines that the halt would be advisable in maintaining a fair and orderly market in the option. If trading is halted or suspended for an underlying stock, the trading of options on that stock may also be halted. Upstream may halt trading in all stock options when trading in stocks has been halted by the activation of "market-wide circuit breakers". This requirement may be changed from time to time. When trading in an option is halted or suspended, holders and writers of that option will be unable to close out their positions until trading resumes, and they may be faced with substantial losses if the value of the underlying interest moves adversely during that time.

I understand that the hours of trading in the primary market for certain dual listed stocks on Upstream may not conform to the hours during which the options are traded on Upstream. To the extent that the options markets close before the other markets for the underlying, significant price movements can take place in the other markets that may not be reflected in the Upstream options markets. The possibility of such movements should be taken into account in relating closing prices in the options markets to those in the other markets.

I wish to be permitted to trade options on Upstream.