Velocity Trade Capital Ltd.
Relationship Disclosure Information

Velocity Trade Capital Ltd. (Velocity) and our Registered Representatives (Representatives) believe that the best way to help you meet your financial goals, and for us to keep serving you as a valued client, is to provide you with the account type(s), information and access to investments in a way that best suits your needs. We want to assist with your investments in the way you are most comfortable and informed with the changing environment in which we live. We think we can do this most successfully if we both know what to expect from each other. For this reason, we would like you to have a good understanding of the products and services we offer, the features of your account(s) and how it/they operate(s), plus our responsibilities to you.

CLIENT FOCUS

This disclosure covers many topics including how investment suitability is assessed, how we identify and manage conflicts of interest, and how we are compensated for our services to you. Our Representatives are the primary point of contact with our clients. Velocity's Representatives have an obligation to deal with you in an ethical and professional manner. This includes, among other things, keeping your personal information confidential, having written procedures to ensure that you receive a proper level of service, plus ensuring that employee and advisor activities adhere to applicable regulatory and compliance rules.

We also want you to understand how your input through the "Know Your Client" (KYC) information contained within our New Client Application Form (NCAF) that you complete is critical to our meeting your expectations. Securities regulators recommend that we promote active client participation for a mutually successful relationship. In the regulatory guidance (National Instrument 31-103: Registration Requirements, Exemptions and Ongoing Registrant Obligations) it requires us to ask you to: 1) Keep us up to date; and 2) Remain informed.

1) Keep us up to date

- Provide full and accurate information to the firm and the registered individuals acting for the firm. Promptly inform your Representative of any change to your information that could reasonably result in a change to the types of investments appropriate for you, such as a change to your income, investment objectives, risk tolerance, time horizon or net worth. Until you provide complete and/or up to date (KYC) account information, our regulators require that we not complete any account transaction other than to complete liquidation transactions, transfer, or make payment or deliveries of funds or securities until we have received the required information from you.

2) Remain informed

- Understand the potential risks and returns on investments. Carefully review sales literature provided by Velocity. Where appropriate, consult professionals, such as a lawyer or an accountant, for legal or tax advice. Ask questions and request information from your Velocity Representative to resolve issues with your account, transactions or investments, or contact us to discuss your relationship with the firm or a registered individual acting for the firm. Stay on top of your investments and pay for purchases by the settlement date. Make sure you understand the use of margin and the impact such leverage can have on your investments. Review all account documentation provided by your Representative and the firm and regularly review your holdings and performance.
- Velocity will update this Relationship Disclosure Information when there are material changes to it. If you have any questions related to the contents of this document, or need to change your (KYC) account information please contact your Representative. You will be provided with a copy of the information on your account application that we received from you at the time of your account opening and when there are material changes to the information.

THE SERVICES AND PRODUCTS WE OFFER

Here is a brief summary of the services and products we offer you:

Services

Velocity provides advisory accounts for trading Futures contracts and Exchange Listed Options on Futures contracts (hereafter "Futures") for its clients. Ordinarily, an advisory account is an account where the client is responsible for investment decisions but is able to rely on advice given by a Registered Representative, where the Registered Representative is responsible for the advice given, and in providing this advice, the Registered Representative must meet an appropriate standard of care, provide suitable investment recommendations, and provide unbiased investment advice. In consideration of the inherent sophistication required to first qualify and then transact in Futures, Velocity's Representatives will not be offering investment recommendations to you but may provide investment advice if you request it. Suitability to transact in Futures will be determined by a pre-qualifying process, which takes into consideration your financial standing and investment sophistication in regard to the Futures market. If it is determined that you are qualified to open a Futures trading account, you will acknowledge or have acknowledged the inherent risks involved in trading Futures and in doing so we will undertake to perform a suitability review of your transactions on a trade-by-trade basis, in consideration of the information we collect from you in regard to the KYC information you provided. Our Futures traders and Supervisors will review all activity on a daily and monthly basis to continuously verify that our pre-qualifying suitability process remains accurate (ie, that the investment decisions made and strategies deployed are demonstrative of sophistication in Futures trading), and that each of your transactions are in fitting with your established profile.

Products

We offer investment in Futures contracts and Exchange Listed Options on Futures contracts.

Before you invest, you can read plain-language investment explanations in *Investments at a Glance*, a booklet prepared by the Canadian Securities Administrators for financial consumers such as yourself. This booklet can be found on the CSA website or at the following links directly: *Investments at a Glance* – English / Français. If a hardcopy of the *Investments at a Glance* booklet is required, please contact your Velocity Representative.

SUITABILITY

How We Will Assess the Suitability of an Investment Advisory Account

We reiterate that while Velocity will not offer to you an investment recommendation for your Futures trading account(s), Velocity will still conduct an assessment as to whether your investment decision is suitable for you, according to our understanding of the KYC information you have provided to us when you completed your NCAF.

The suitability factors guiding us in our decision as to an investment's suitability include what we understand to be your current:

Financial Situation

- What financial assets (deposits, investments) and liabilities (debt, mortgage) you have and the sources and amount of your income – we would consider the size of any transaction compared to the overall value of your net financial assets (assets minus liabilities).

Investment Knowledge (Experience)

- As trading in Futures requires a sophisticated knowledge of the product and strategies associated with it, in order to qualify for opening a Futures trading account at Velocity, your investment knowledge must be considered **Sophisticated**.

Investment Objectives

- What you tell us about your specific financial goals will help us determine how to balance the desire to increase your assets while understanding the risks. Certain investments would not be considered appropriate for certain objectives. Objectives might include: to earn income; to speculate; or to hedge an underlying commodity.

Time Horizon/Age

- When do you expect to need your financial assets? For example, to buy a house, pay for education or enter retirement. For retirement, considerations may include any tax requirements to withdraw minimum amounts. Time horizon plays an important role in setting return objectives and for defining liquidity constraints. When do you need these funds for another objective?

Risk Tolerance

- As trading in Futures is inherently a high-risk enterprise, in order to qualify for opening a Futures trading account at Velocity, your appetite for risk must be considered **High**.

  High Risk: *I am willing to accept increased risk with my invested capital, including high volatility to seek higher returns either over time or in the short term. I understand that I could lose large portions or possibly all of my money invested.*

Suitability Process

When you place an order, if what you would like to invest in is not consistent with what your profile suggests to us, we might: advise against proceeding with the order; ask you to sign a letter recognizing we advised against it; we may accept the order if the amount is not material; or we may require a review of your account information to update for any changing objectives and appetite for risk in your Futures trading strategies. Delays to processing the order might occur and Velocity would reserve the right to reject any order deemed unsuitable at its discretion.

Suitability Review Timing

When accepting each of your orders or proposed strategy, your Representative would review each order or strategy in the context of the six KYC suitability factors described above.

Velocity would also conduct a suitability determination when:

- There is a change in the Representative responsible for the account; and/or
- There has been a material change in your personal or financial circumstances or objectives and a change notice or account KYC update has been received.

If during the suitability determination we identify any concerns, we would discuss them with your Representative, and they would discuss the situation with you. We might be required by our regulators or good business practice to document our discussions and, if we are strongly concerned with your decision to maintain unsuitable investments or proceed with unsuitable strategies, we might refuse to execute the transaction and or terminate our relationship by restricting your account to liquidating transactions only and requesting that you transfer your account to another dealer.

To ensure that the position(s) held in your account or accounts is/are suitable for you as time passes, we would review the suitability of the investments in your account(s) and your holdings altogether.

Given the long-term nature of investing for most clients, we would not automatically review the suitability of the investments held in your account(s) when there are market fluctuations. Also, please note that changes in individual investments caused by market or management fluctuations might result in changes required to be made to the suitability determination.

THE REPORTS WE WILL PROVIDE FOR FUTURES TRADING ADVISORY ACCOUNTS

Account Statements

You will receive your daily Futures trading confirmations and statement of holdings via email. Your daily account statement outlines trade confirmations, a listing of offsetting transactions and the resulting profit/loss information (purchase and sales), open positions, cash balances, all account activity including deposits and withdrawals (cash adjustments), account values and positions costs, margin excess/deficits, and execution fees/transaction costs. As well, all relevant financial reporting tools within the statement will be summarized in both CAD and USD (including the spot conversion rate between the two currencies). Note that these statements for Futures accounts will not include relative performance or account percentage return information, given the inherent nature of Futures trading.

You will also receive monthly Futures statements, which summarize all monthly activities in your account. That statement will be delivered monthly (or quarterly if there is no monthly activity in your account) via email, on the first business day following the prior month-end. Your monthly statement reflects receipt and delivery of funds by wire transfer deposits and withdrawals. This shows the movement of monies into your Futures account to fund the trading activity to take place there, plus it shows monies moved out from your Futures trading account for remittance back to you at your request.

These statements are deemed to have been acknowledged as correct (and approved by you) unless we have received a prompt written notice to the contrary.

BENCHMARKS

A benchmark is a point of reference that is commonly used to compare and assess the performance of an investment. It is usually an index of securities of the same or similar asset class and geography. For example, if a fund invests mainly in Canadian stocks, the benchmark might be the S&P/TSX Composite Index, which tracks companies trading on the Toronto Stock Exchange. The performance of a benchmark represents the returns over time of the select group of securities that forms its index. Benchmark indices are typically owned by specialized firms (for example, Standard & Poor's) that receive real-time and historical data from the source exchange. By comparing an investment to an appropriate benchmark, one may gauge investment performance against the sector or market in general. Clients may contact their Velocity Representative for more information about benchmarks that are appropriate to their holdings.

YOUR PERSONAL INFORMATION

Velocity Trade Capital Ltd. understands that trust is an important factor in our relationship, and we take this very seriously. Protecting your privacy and the confidentiality of your personal information is a fundamental part of our responsibility to you. Clients of Velocity Trade Capital are entitled to a high degree of care in the handling of their confidential information through our policies and procedures as well as state-of-the-art equipment and computer security measures. The personal information you provide to Velocity Trade Capital (or which Velocity collects with your consent) with respect to your account application will be protected and maintained in a client investment file with Velocity. The key components of Velocity's policy are as follows:

- The client's knowledge and consent is required before an Employee/Agent may collect, use or disclose a client's personal information;
- If any of the personal information collected is sensitive, such as health information, Velocity must obtain additional written or oral consent from the client before using or disclosing the information; and
- Velocity shall use care when storing or destroying a client's personal information in order to prevent unauthorized access.

CONFLICTS OF INTEREST

Velocity has policies and procedures in place to address the handling of conflicts of interest. We aim to manage, disclose or avoid conflicts of interest that may arise as we serve the interests of our clients. Actual, potential and perceived conflicts of interest arise where an action or decision by someone has the effect of benefiting others at that person's expense. Such conflicts exist in almost all human interactions – and, as we are an intermediary, acting for both buyers and sellers, conflicts will arise from time to time:

- Between you and our firm, as well as between you and your Representative;
- Between you and our other clients: we act for many clients and must allocate investment opportunities among all of them fairly, so as not to intentionally favour one client over another;
- Between us and our related or associated companies.

We avoid conflicts prohibited by law as well as conflicts that we cannot effectively control. In situations that we do not or cannot avoid, where our interests may compete with yours, we give priority to the client's interest by our acting in one of two ways:

- We control or manage acceptable conflicts by attempting to physically separate different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing the financial incentive of an employee to favour a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes.
- We disclose information about any remaining conflicts to you so that, when you evaluate our recommendations and actions, you can assess independently if conflicts are significant for you. Any conflicts, where not avoidable as indicated above, will be disclosed to you as they arise.

Actual, potential and perceived conflicts of interest	Manage, Disclose or Avoid
Velocity earns compensation for services to a client, for which a client pays Velocity.	**Disclose** – Velocity negotiates commission or compensation with clients in advance (or in a timely manner), therefore clients are made aware of what they will be paying.
Some orders that Velocity executes through service providers or trading destinations may be eligible for programs involving rebates or financial incentives.	**Manage** – As per industry regulations, Velocity has policies and procedures that address best execution, order handling and routing practices, with the aim of obtaining the most advantageous results for clients.
When Velocity is involved in offering a new issue, we are seeking the highest price, while selling to purchasers who are interested in obtaining the lowest price.	**Manage and Disclose** – Corporate Finance and Trading businesses are segregated and Velocity has policies and procedures to prevent the sharing of material non-public information between departments. Standard offering documents provide full disclosure including any relationships that Velocity may have with an issuer.
Velocity provides Research coverage and investment recommendations on securities of companies that might have other business relationships with Velocity.	**Manage and Disclose** – Velocity's Research recommendations include disclosures that address potential conflicts of interest. There are comprehensive regulatory requirements and industry standards governing Research coverage, as reflected in Velocity's Research policies and procedures.
Velocity may execute client orders for securities while also providing advisory services to the issuer.	**Manage** – Unsolicited execution of client orders is permitted in most cases even when a trade restriction or conflict may exist within Velocity.
We want clients to increase use of our services, or we might 'cross-sell' services offered by another division of Velocity.	**Manage and Avoid** – While 'cross-selling' of services is permitted, 'tied selling' is prohibited. Services to clients cannot be conditionally offered and tied to payment for other services.
Gifts, benefits or entertainment	**Manage, Disclose and Avoid –** Velocity has policies to address gifts, benefits and entertainment, with an emphasis on avoiding those that could be perceived to impact objectivity and independence. In the case of Research coverage in particular, Research Analysts are required to disclose certain benefits or compensation.
Outside business activities	**Manage, Disclose and Avoid –** Velocity's policies and procedures reflect regulatory requirements to monitor employee outside business activities. A Velocity Representative may be permitted to have an outside business activity if that activity is in compliance with any condition set out by CIRO. Conversely, an outside business activity should be avoided if it results in actual or perceived conflict of interest that could bring the securities industry into disrepute. For example, securities legislation prohibits a registered individual from serving as a director of another registered investment dealer that is not an affiliate.

THE ROLE OF VELOCITY TRADE CAPITAL AS YOUR BROKER

Velocity Trade Capital is a member of the Investment Canadian Investment Regulatory Organization (CIRO) and the Canadian Investor Protection Fund (CIPF). As your broker, Velocity's responsibilities include supervisory oversight, obtaining know-your-client (KYC) information and determining the suitability of trades. Your money is deposited and withdrawn using our firm's back-office systems. Velocity reports all account trade activity to you on a daily basis. Velocity is also responsible for tax reporting to Canada Revenue Agency on an annual basis. As such, you may be required to report gains and losses from commodity trading and securities.

A futures contract is a legally binding obligation to make or take delivery of a specified commodity at a future date. All contracts for the purchase or sale of any commodity for future delivery shall remain open and in force, and shall continue to be binding upon the original parties until liquidated by acquiring an equal but opposite position, or by making or taking delivery of the commodity. These transactions are made in accordance with and subject to the rules, regulations and customs of the exchange where made and also in accordance with and subject to federal, state and provincial laws. Velocity reserve's the right to close out transactions when the margins on deposit with us are (1) exhausted; or (2) inadequate in Velocity's judgement to protect our firm against price fluctuations; or (3) below the minimum margin requirements under the rules and regulations of the exchange relating thereto.

All trades executed on your behalf are settled by Velocity. The firm acts as your agent on trades that you effect on exchanges with a member whose name is available upon request. Velocity does not guarantee the performance of the obligations of that member.

OUR AFFILIATES

Velocity Trade Capital Ltd. is wholly owned by Velocity Trade Holdings Ltd. (VTH). VTH is the parent company to the following other companies:

- Velocity Foreign Exchange Services Ltd. (Canada)
- Velocity Trade International Limited. (UK)
- Velocity Trade Ltd. (Australia/New Zealand)
- VTC Europe B.V. (Netherlands)
- Velocity Trade Pte. Ltd. (Singapore)
- Velocity Trade Capital PTY Ltd. (South Africa); Velocity Trade Financial Services PTY Ltd. (South Africa); Velocity Empowerment Holding PTY Ltd. (South Africa); and Velocity Nominees (RF) PTY Ltd. (South Africa)

Shared Premises Disclosure: As required by CIRO Rule 2200 – Part A.3, we hereby indicate to you that Velocity Trade Capital Ltd. shares premises with its affiliate, Velocity Foreign Exchange Services Ltd. While these companies share the same parent company (Velocity Trade Holdings Ltd.) they operate as separate entities.

THE FEES YOU WILL BE PAYING AND HOW THEY ARE CALCULATED

Velocity is compensated for the distribution of investment products and services. All fees are disclosed as required by regulation and vary depending on the accounts and services you use.

For Futures Contracts and Exchange Listed Options on Futures Contracts:

Based on an agreed upon commission rate (between client and trader) per contract and noted on the Futures client's NCAF at account opening.

Interest Charges

If any account you have with Velocity is in a debit position, we will deduct an interest charge from the account. Interest rate charges are available upon request. Interest is calculated on a Settlement Date basis based on the cash credit or debit balance in the account. The interest period is from the 16th to the 15th of each calendar month. Interest is paid or charged on or around the 23rd of each calendar month.

Foreign Currency Exchange

For transactions in currencies other than that of the currency of your account, a conversion of currency may be required and will be carried out by Velocity. Velocity maintains a foreign exchange market spread. In performing foreign currency transactions, we may act as agent or principal. We attempt to make a profit on providing foreign exchange transactions. Rates depend on the size, currency and timing of the transaction. If you are initiating a transaction that will require an accompanying foreign exchange component, ask your Representative about the available rates. Unless otherwise specified or agreed to, the currency conversion will take place at our applicable bid and ask spread, based on the prevailing currency rates.

Other Fees and Charges

Transactions in Futures involves the requirement to pay for execution, exchange and regulatory (NFA) fees on a trade-by-trade basis, which are fully disclosed on daily and monthly account statements.

Notice of Fee and Charge Price Changes

We will provide you with at least 60 days' written notice of any new fees or changes in charges. Note: Interest charged on accounts and commissions for executing trades are excluded from this notice. Interest charges are typically charged on the 15th day of the month and will show on your monthly statement.

LEVERAGE DISCLOSURE

Risk of borrowing to invest:

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by the loan's terms remains the same even if the value of the securities purchased declines. Before borrowing to invest, you should consider, among other things: your level of comfort in respect of taking risk whether you are investing for the long term or short term, the use of a borrowing-to-invest strategy could result in far greater losses than an investment strategy that does not involve the use of borrowed money, consider the cost of borrowing (i.e., interest payments) and whether you will be able to repay the loan.

Your Representative should discuss with you the risks of borrowing to invest.

COMPLAINT-HANDLING PROCEDURES:

We hope you enjoy a long and successful relationship with Velocity and we look forward to serving you. We think that open communication is the best way to achieve this. While misunderstandings can arise and mistakes can occur, if you have a complaint, please let us know.

Client complaints can be submitted to:

Attn: Chief Compliance Officer
Velocity Trade Capital Ltd.
PO Box 230 – 77 King St W, Suite 4210, Toronto, ON, Canada M5K 1J3

You will receive an acknowledgement letter within 5 business days of the receipt of your complaint. You will receive a substantive response within 90 days of the receipt of your complaint, which will provide a summary of your complaint, results of the investigation, and an explanation regarding the decision.

A copy of the CIRO approved complaint handling brochure will be provided to you at the time of account opening (please see below).

Checklist of documents to be provided to you at account-opening:

- A copy of your New Client Application Form
- *An Investor's Guide to Making a Complaint* brochure from Canadian Investors Protection Fund
- This Relationship Disclosure Information document
- Commodity Futures and Commodity Futures Options Trading Agreement
- Futures and Commodity Risk Disclosure and Information Statement
- Futures Options Summary Disclosure Statement