

LIMITED MARGIN AGREEMENT for FIDELITY INDIVIDUAL RETIREMENT ACCOUNTS

Instructions

Review and sign this “limited margin agreement” to add a limited margin feature to a new or existing retirement account.

The purpose of this agreement is to allow Fidelity Brokerage Services LLC and National Financial Services LLC (together, “Fidelity”) to accept instructions to allow for day trading up to the cash held in a Fidelity IRA, a Fidelity Rollover IRA, a Fidelity SEP- IRA, a Fidelity Roth IRA or a Fidelity SIMPLE IRA (hereinafter “Fidelity IRA”). This agreement, which is designated by Fidelity as a form of limited margin agreement, provides you with important terms and conditions for engaging in day trading strategies that are generally known as limited margin day trading strategies in your Fidelity IRA (“Limited Margin”). You understand that under no circumstances will any extension of credit or margin borrowing be made available to you in your Fidelity IRA. You must agree to the terms and conditions of this *Limited Margin Agreement* to engage in day trading in your Fidelity IRA.

Limited margin trading allows you to avoid certain Federal Reserve Board Regulation T settlement periods when trading in an IRA account. It does not allow for borrowing of funds, creating a margin debit, short selling, or selling naked options – which are typical features of a margin account.

1. RESTRICTIONS.

- (a) Because of regulatory limitations, you are not permitted to have limited margin agreements on multiple IRAs of the same type. For example, if you have more than one Fidelity Rollover IRA, only one of those accounts may have a limited margin agreement. Note that an "Options Spread Agreement for IRA Accounts" is considered a limited margin agreement subject to this limitation.
- (b) Approval of limited margin in IRA accounts is conditioned upon having an investment objective of most aggressive.
- (c) Limited margin in IRA accounts requires minimum equity of \$25,000 in your Fidelity IRA account – excluding any FDIC core balance.
- (d) Limited margin does not allow for borrowing of funds, creating a margin debit, short selling, or selling naked options.
- (e) Limited margin is not available if another IRA account exists with a day trading restriction.
- (f) Fidelity may close your position or remove the limited margin feature without notice if you fail to meet the requirements for limited margin.
- (g) You are subject to all other restrictions and conditions in the agreement as defined below.

- 2. AUTHORIZATION.** You authorize Fidelity to accept instructions from you or your authorized agent regarding limited margin in your Fidelity IRA only to the extent permitted

by the applicable Fidelity IRA Custodial Agreement and under applicable law and regulations.

3. SUITABILITY. You acknowledge that investing in advanced trading strategies such as limited margin can be very risky. You acknowledge that your decision to trade limited margin in your Fidelity IRA is solely your decision and Fidelity has not directly or indirectly solicited you to use this trading strategy. You also acknowledge that Fidelity has not recommended any trades in your Fidelity IRA. While Fidelity will implement limited margin instructions it receives from you, you understand and agree that Fidelity is not responsible for determining the appropriateness or suitability of the investments relating to this agreement that you purchase or sell in your Fidelity IRA.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).
- **The firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements, or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **The firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- **The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

4. RETIREMENT ACCOUNT LIMITATIONS AND REPRESENTATIONS. You acknowledge and agree to the following terms, conditions and representations: (a) Margin borrowing will not be made available in your Fidelity IRA because of applicable regulatory limitations.

(b) You are solely responsible for ensuring that sufficient assets are maintained in your Fidelity IRA to cover all potential obligations arising from your trading strategy. (c) It is your responsibility not to enter trades that can result in obligations in excess of your Fidelity IRA account balance.

(d) An obligation in your Fidelity IRA in excess of your applicable Fidelity IRA account balance can result in a taxable distribution of the IRA assets and the imposition of excise taxes.

(e) You agree to maintain a sufficient cash balance in your Fidelity IRA to satisfy all obligations that may arise from your trading strategy in your Fidelity IRA. You further understand and acknowledge that amounts available for purchases within your Fidelity IRA may be limited due to amounts needed to satisfy minimum equity requirements. (f) Fidelity shall not be responsible for the dishonor of any transaction due to an insufficient balance in your Fidelity IRA.

(g) To the extent that your trading strategy creates a short or debit position in your Fidelity IRA core account, such short or debit position will immediately be covered with other assets from your Fidelity IRA.

(h) You assume full responsibility for reviewing the terms of each investment and hereby represent that trading limited margin strategies in your Fidelity IRA does not and will not violate the terms and conditions of the applicable Fidelity IRA Custodial Agreement and Disclosure Statement, nor constitute a prohibited transaction as defined under ERISA and the Internal Revenue Code (IRC) and related regulations, interpretations and guidance and is otherwise in compliance with all applicable laws, rules and regulations. (i) You have been provided with an opportunity to consult with your tax adviser regarding the advisability of trading limited margin strategies in your Fidelity IRA.

5. ADDITIONAL REPRESENTATIONS. You represent and warrant the following:

(1) you have determined that it is suitable for you to trade limited margin strategies in your Fidelity IRA; (2) you will not engage in any transaction or conduct or implement any strategy in your Fidelity IRA that would result in any hypothecation or extension of credit by Fidelity or its affiliates; and (3) you have not relied on Fidelity or any of its affiliates for any investment research, advice (including but not limited to investment, business, legal or tax advice) or information in connection with options trading or strategies pertaining to your Fidelity IRA.

6. INDEMNIFICATION. By consenting to this agreement and using limited margin trading in your account(s), you hereby agree to indemnify and hold Fidelity, its affiliates, and their respective officers, directors, employees and agents, and their respective successors and assigns, harmless from and against any and all losses, liabilities, tax consequences, demands, claims and expenses, attorney's fees, damages (including consequential, incidental, special or exemplary) arising out of any actions by Fidelity, you, or your agents in connection herewith, which are not caused by Fidelity's gross negligence or willful misconduct. Fidelity reserves the right to use the provisions described in this section at any time, except when they would conflict with the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, both as amended. This provision

shall survive the termination of this Agreement and shall be binding upon, and inure to the benefit of, each party's respective successors, assigns, heirs and personal representatives.

7. **RECEIPT OF COMMUNICATIONS.** Communications maybe sent to you at the address of record listed in your application or at such other address as you may hereafter provide and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to you personally, whether actually received or not. You understand that you should promptly and carefully review the transaction confirmations and monthly statements and promptly notify Fidelity of any errors.
8. **MODIFICATION OF TERMINATION OF ACCOUNT.** You understand that no provision of this agreement can be amended or waived except in writing signed by an authorized representative of Fidelity and that this agreement shall continue in force until its termination by you is acknowledged in writing by an authorized representative of Fidelity, or until written notice or termination by Fidelity shall have been mailed to you at your address last provided to Fidelity. You will remain responsible for all charges, debit items, or other transactions initiated or authorized by you, whether arising before or after termination. You understand that Fidelity may at any time, and in its sole discretion, cease to make limited margin available in your Fidelity IRA account and may, upon thirty (30) days' written notice to you, amend the terms of this *Limited Margin Agreement*.
9. **APPLICABLE RULES AND REGULATIONS.** If any provision hereof is or at any time should become inconsistent with any present or future law, rule or regulation of any securities exchange, or of any sovereign government or a regulatory body thereof and if any of these bodies has jurisdiction over the subject matter of this agreement, the said provision shall be deemed to be superseded or modified to conform to such law, rule or regulation, but in all other respects this agreement shall continue and retain in full force and effect.
10. **EXTRAORDINARY EVENTS.** Fidelity shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes or other conditions beyond its control, including, but not limited to, extreme market volatility or trading volumes.
11. **CHOICE OF MARKETPLACE.** You understand and acknowledge that when options and securities may be traded in more than one marketplace, in the absence of any specific instructions, Fidelity may, subject to applicable regulatory requirements, use its discretion in selecting the market in which to enter your orders.

12. GOVERNING LAW. THIS AGREEMENT AND ITS ENFORCEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS TO THE EXTENT NOT SUPERSEDED BY FEDERAL LAW; SHALL COVER INDIVIDUALLY AND COLLECTIVELY ALL FIDELITY ACCOUNTS WHERE APPROPRIATE THAT YOU MAY OPEN OR REOPEN WITH FIDELITY; SHALL INURE TO THE BENEFIT OF FIDELITY'S SUCCESSORS AND ASSIGNS, WHETHERBY MERGER, CONSOLIDATION OR OTHERWISE, AND FIDELITY MAY TRANSFER YOUR ACCOUNT TO ITS SUCCESSORS AND ASSIGNS, AND THIS AGREEMENT SHALL BE BINDING UPON YOUR HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND THEIR ASSIGNS.

13. PREDISPUTE ARBITRATION. This agreement contains a pre-dispute arbitration clause. By consenting to an arbitration agreement the parties agree as follows:

- (a) 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.
- (b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.

- (d) 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.
- (e) The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- (f) The rules of some arbitration forms may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

All controversies that may arise between you and us concerning any subject matter, issue, or circumstance whatsoever (including, but not limited to, controversies concerning any account, order or transaction, or the continuation, performance, interpretation, or breach of this or any other agreement between you and us, whether entered into or arising before, on, or after the date this account is opened) shall be determined by arbitration in accordance with the rules then prevailing of the Financial Industry Regulatory Authority (FINRA) or any United States securities self-regulatory organization or United States securities exchange of which the person, entity, or entities against whom the claim is made is a member, as you may designate. If you designate the rules of a United States self-regulatory organization or United States securities exchange and those rules fail to be applied for any reason, then you shall designate the prevailing rules of any other United States securities self-regulatory organization or United States securities exchange of which the person, entity, or entities against whom the claim is made is a member. If you do not notify us in writing of your designation with five (5) days after such failure or after you receive from us a written demand for arbitration, then you authorize us to make such designation on your behalf. The designation of the rules of a self-regulatory organization or securities exchange is not integral to the underlying agreement to arbitrate. You understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.

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 action 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 the agreement except to the extent stated herein.

By consenting to this agreement and using limited margin trading in your account, you hereby acknowledge that you have read, understood, and agree to be bound by the terms and conditions in this *Limited Margin Agreement*. You acknowledge that you have been advised by Fidelity to consult a tax advisor before completing any transaction involving options. You

have not received any tax advice from Fidelity and understand that the transaction is neither allowed nor disallowed by the Internal Revenue Code.

Should any adverse consequences result from any transaction involving options trading and options strategies, you will not hold Fidelity responsible in any way. This agreement is binding on successors and assigns.



Fidelity Brokerage Services LLC, Member NYSE, SIPC National Financial Services
LLC, Member NYSE SIPC

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