



## Portfolio Margin Agreement & Risk Disclosure

This Portfolio Margin Agreement & Risk Disclosure ("PM Agreement & Disclosure") sets forth the terms and conditions pursuant to which tastytrade, Inc. ("tastytrade") will open and maintain, and Apex Clearing Corporation ("Clearing Firm") will carry, one or more Portfolio Margin Accounts ("PM Account") for the undersigned customer ("you", "your"). This PM Agreement & Disclosure shall be in addition to, and read in conjunction with, the tastytrade Customer Agreement, and all other agreements and disclosures (individually and collectively, the "Customer Agreement") governing your account(s) with tastytrade. In the event of any inconsistency between this PM Agreement & Disclosure and the Customer Agreement, the PM Agreement & Disclosure shall control. You shall be subject to all obligations and restrictions in the Customer Agreement and nothing in this PM Agreement & Disclosure shall be construed as in any way reducing or restricting such obligations and restrictions.

Margin requirements in a PM Account are based on the greatest projected net loss of all positions in a "security class" or "product group" as determined by a model using multiple pricing scenarios to set levels of margin that more precisely reflect actual net risk. For options traded in a PM Account the pricing scenarios are based on changes in inputs to a theoretical pricing model, taking into consideration the underlying price and volatility.

Margin requirements in a PM Account are generally lower than alternative "position" or "strategy" based methodologies, which can substantially increase leverage, however, such increased leverage can substantially increase the risks associated with trading in a PM Account.

You acknowledge and agree that tastytrade requires a minimum initial equity value in your PM Account of one hundred seventy-five thousand (\$175,000) in order to begin trading with portfolio margin requirements. Further, you acknowledge and agree that tastytrade requires a minimum maintenance equity value in your PM Account of one hundred fifty thousand (\$150,000) at any given time. You are solely responsible for ensuring that sufficient assets are maintained in your PM Account to cover all obligations, including the minimum equity requirement. tastytrade or the Clearing Firm reserves the right, in its sole discretion, to change the required minimum equity value without notice to you. You agree that tastytrade or the Clearing Firm may refuse to open a PM Account or decide to terminate a PM Account in its sole discretion, at any time without notice to you.

You agree that tastytrade's margin requirements in PM Accounts will be calculated based on the Theoretical Intermarket Margin System ("TIMS") margin methodology. tastytrade reserves the right, in its sole discretion, to change the margin requirements for PM Accounts, and to disallow the application of portfolio margining on certain underlying symbols, or from your entire PM Account, without notice to you.

You acknowledge that you are solely responsible for satisfying any and all deficiencies in your PM Account, and you agree to promptly satisfy any and all margin and maintenance calls in your PM Account. A portfolio margin maintenance call will be issued if your PM Account's maintenance requirements exceeds the total equity in the PM Account, and must be satisfied on the due date, generally two (2) business days (T+2). Portfolio margin maintenance calls greater than \$250,000 are due the next business day (T+1). In the event that your PM Account falls below tastytrade's minimum equity value requirement of \$150,000, you understand that you will need to increase your PM Account's equity value to a minimum of \$150,000 in order to maintain your PM Account status. You agree that tastytrade and the Clearing Firm reserve the right to issue a portfolio margin maintenance call with an earlier due date at any time, and without prior notice to you, dependent upon market conditions or other circumstances. If a portfolio margin maintenance call is not satisfied by the due date (the PM Account's total equity is not above the maintenance requirements), tastytrade and the Clearing Firm reserve the right to liquidate positions in your PM Account, to the extent necessary, to eliminate the margin deficiency. You acknowledge that extensions are not permissible for margin calls in a PM Account. You agree that if your PM Account has a margin deficiency that you will only be allowed to execute risk reducing trades.

You acknowledge that the Clearing Firm is a non-clearing Futures Commissions Merchant; therefore, any balance in your futures account will not count towards your PM Account's \$175,000 minimum initial equity value, \$150,000 minimum maintenance equity value.

You hereby authorize tastytrade in its sole discretion, should tastytrade deem it necessary for tastytrade's protection for any reason to buy, sell, or cover any position in your PM Account at any time, without prior notice to you. Any and all expenses incurred by tastytrade in connection with such transactions shall be reimbursed by you to tastytrade.

You acknowledge and agree that engaging in transactions in a PM Account entails extreme risk, and you have given tastytrade information to demonstrate that is not unsuitable for you to maintain a PM Account in light of your investment objectives, financial situation and needs, experience, and knowledge. You acknowledge that you have requested tastytrade to grant you a PM Account, and you are solely responsible for the decision to engage in transaction in your PM Account. You agree that the decision to trade in a PM Account is made entirely by you without any investment advice from tastytrade. You agree to immediately inform tastytrade of any changes that may materially affect your suitability to trade or maintain a PM Account.

You represent and warrant to tastytrade that tastytrade has not provided any sort of investment advice or recommendations pertaining to your decision to open, maintain or trade in a PM Account, and you have determined you are suitable to trade in a PM Account.

You agree that tastytrade has in no way solicited you to open or transact in a PM Account.

**Special Risks Associated with Portfolio Margin Accounts**

- **Portfolio margining can substantially increase leverage, however, such increased leverage can substantially increase the risks associated with trading in a PM Account.**
- **Greater leverage can result in significant losses in the event of adverse market movements.**
- **There is an increased risk that your PM Account will be liquidated involuntarily, possibly resulting in losses to you, due to the requirement to meet margin deficiencies in a PM Account sooner than in a standard margin account.**
- **It may be more difficult for you to predict the size of future margin deficiencies because portfolio margin requirements are determined using sophisticated mathematical calculations and theoretical values that must be calculated from market data.**
- **Trading of margin equity securities, warrants on margin equity securities or on eligible indices of equity securities, listed options, and unlisted derivatives on margin equity securities or an eligible index of equity securities in a PM Account is generally subject to all the risks of trading those same products in a standard securities margin account. You should be thoroughly familiar with the risk disclosure materials applicable to those products, including the "Characteristics and Risks of Standardized Options", before trading these products in a PM Account because this PM Agreement & Disclosure document does not disclose the risks and other significant aspects of trading options.**
- **tastytrade may impose its own, more stringent margin and account requirements associated with a PM Account at any time and without prior notice to you.**

You understand and agree to be bound by the terms of this PM Agreement & Disclosure and of the Customer Agreement. You shall indemnify and hold tastytrade harmless from any and all claims, actions, inactions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees, arising from or in connection with this PM Agreement & Disclosure in accordance with the Customer Agreement. This PM Agreement & Disclosure shall be subject to the Arbitration provisions specified in the Customer Agreement and you acknowledge the Customer Agreement shall control in such respect.

***I agree that I have read and understand this PM Agreement & Disclosure. Further, I acknowledge that I am providing a legally binding signature to affirm that I agree to the PM Agreement & Disclosure and agree to assume full responsibility for this PM Agreement & Disclosure and PM Account request. I agree to indemnify and hold tastytrade harmless from any and all liabilities, damages, losses, claims, actions or inactions arising from or related to trading in a PM Account or this request to open a PM Account. I acknowledge that tastytrade reserves the right, in its sole discretion, to reject any request to open a PM Account without prior notice.***

Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Joint Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_