

## **SCHEDULE 4: LEVERAGE AND MARGIN RISK DISCLOSURE STATEMENT BY TRADEZERO CANADA SECURITIES, ULC (“TRADEZERO”)**

Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

TradeZero is also providing this document to you to provide facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading securities in a margin account, you should understand these risks. Consult an Investment Representative (IR) regarding any questions or concerns you may have with your margin account or margin generally.

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 your account(s). If the securities you purchased on margin decline in value, you will be required to provide additional securities or cash to TradeZero to avoid the forced sale of the securities or other assets in your account(s).

TradeZero 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 under TradeZero, we can sell the securities or other assets in any of your accounts held at TradeZero to cover the margin deficiency. You also will be responsible for making up any short fall in the account after such a sale.

TradeZero can sell your securities or other assets without contacting you. Some customers mistakenly believe that TradeZero must contact them for a margin call to be valid, and that TradeZero cannot liquidate securities or other assets in their accounts to meet the call unless TradeZero has contacted them first. This is not the case. TradeZero will attempt to notify customers of margin calls, but we are not required to do so. However, even if TradeZero has contacted you and provided a specific date by which you can meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling the securities or other assets without notice to you.

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 a TradeZero margin loan to you, TradeZero has the right to decide which securities to sell in order to protect our interests.

TradeZero can increase its house maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in TradeZero policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause us to liquidate or sell securities in your account(s).

You are not entitled to an extension of time on a margin call. While TradeZero may grant you a time extension to meet margin requirements, we are not required to do so, and you do not have a right to an extension.

Short selling is a margin account transaction and entails the same risks as described above. TradeZero can use your account(s) to buy securities to cover a short position without contacting you. If you do not have sufficient assets, you are responsible for the shortfall and collection costs. TradeZero has the right to use a security in your account for delivery against a short sale in an account owned or controlled by TradeZero or a partner or Director.

TradeZero has an obligation to carry out all transactions in accordance with Canadian Investment Regulatory Organization (“CIRO”) requirements and, where applicable, the requirements of the marketplace on which the transaction has been executed.

For additional information on the inherent risks associated with margin accounts, please contact an Investment Representative.