

## Stock Lending Disclosure Statement and Agreement

Please read these important disclosures carefully before agreeing to lend to FCUL or Apex Clearing Corporation (“Apex”) any of your fully paid securities or excess margin securities (the “Loaned Securities”) as part of the FCUL Lending Program.

These disclosures are intended to be read in conjunction with the Apex master securities lending agreement (as amended, modified, or supplemented from time to time, the “Agreement”) between you and FCUL and Apex that governs any loans of Loaned Securities to Apex.

These disclosures describe important characteristics of, and risks associated with engaging in, securities lending transactions.

The provisions of the Securities Investor Protection Act of 1970 (“SIPA”) may not protect you with respect to Loaned Securities and, therefore, the collateral provided to you may constitute the only source of satisfaction of FCUL’s and Apex’s obligations in the event Apex fails to return the Loaned Securities.

**Consent to Borrow:** By entering into the Agreement with FCUL and Apex, you give Apex permission to borrow securities carried by Apex for your account without contacting you and without obtaining your prior approval of any given loan or the Loan Fee payable in respect of such Loaned Securities.

**Electronic Delivery:** Where Apex borrows securities carried for your account, you agree to notification through Electronic Delivery or Notification.

The Securities Investor Protection Corporation (“SIPC”) provides protection against custodial risk to clients of securities brokerage firms, like Apex, in the event such firms become insolvent. Balances maintained in the Securities Lending Program through your FCUL and Apex securities account and are not protected by SIPC or, if any, excess-SIPC coverage purchased by Apex. If you have questions about SIPC coverage and/or excess-SIPC coverage, please contact FCUL or Apex. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC Website at [www.sipc.org](http://www.sipc.org).

**Loss of Voting Rights With Respect to Loaned Securities:** You may lose the right to vote, or to provide any consent or to take any similar action with respect to, Loaned Securities in the event that the record date or deadline for such vote, consent, or other action falls during the term of any loan. However, you retain a contractual right to the return of the Loaned Securities and, accordingly, continue to have market exposure with respect to the Loaned Securities.

**Distributions, Substitute Payments, Adverse Tax Consequences.** You will be entitled to receive all distributions (as that term is defined in the Agreement) made on or in respect of the Loaned Securities, such as cash or securities dividends, interest payments, securities received as a result of splits, spin-offs or similar distributions, and rights to purchase additional securities. In the event that the holder of a security borrowed from you is entitled to elect the type of distribution to be received from two or more alternatives, you shall be entitled to make such election by timely notification to Apex. However, you will receive substitute payments (e.g., a cash substitute payment) in lieu of receiving dividends or distributions directly from the issuer. Certain unique distributions may not be capable of being exactly replicated as a manufactured payment by Apex. Cash payments in lieu of dividends may not be afforded the same treatment as qualified dividends for tax purposes and are likely to be taxed at a higher tax rate instead of the preferential qualified dividend rate. Special tax considerations may apply to loans of master limited partnerships, publicly traded partnerships or other securities with pass-through tax characteristics. Apex

may be required to withhold tax on substitute payments and Loan Fees, unless an exception applies. You should consult a tax advisor regarding the tax implications of entering into the Agreement and lending securities to Apex, the receipt of substitute payments under U.S. state tax laws, the Internal Revenue Code, as well as any foreign tax regulations, as applicable, circumstances where a securities loan could be treated as a taxable disposition of the Loaned Securities, and treatment of Loan Fees and interest received on cash Collateral.

**Your Right to Sell the Loaned Securities:** You have the right to: 1. sell some or all of the Loaned Securities at any time, without limitation, prior to recalling the Loaned Securities and/or prior to the return of the Loaned Securities to your account; and 2. recall, terminate, or liquidate a loan at any time for any reason by recalling the Loaned Securities in accordance with the terms of the Agreement.

**Use of Borrowed Securities:** The securities that Apex may borrow from you may be used by Apex for any permitted purpose under Regulation T, including to complete delivery obligations, cover short sales, satisfy customer possession and control requirements, or on-lend to other securities-lending counterparties. Subject securities may be considered “hard to borrow.” You may elect not to permit securities that are the subject of a loan to be used in connection with a short sale of the subject securities. If you elect not to permit your securities to be used in connection with a short sale of the subject securities, Apex will terminate any then-outstanding Loan and un-enroll your account from the FCUL Stock Lending Program.

**Non-Exclusive Arrangement; Apex Sole Discretion:** Apex is not required to borrow your securities and may borrow from other parties, in its sole discretion, securities equivalent to securities available to be borrowed from you without paying you a fee.

**FCUL and Apex Compensation with respect to Loaned Securities:** FCUL and Apex will both receive compensation in connection with the use of your Loaned Securities, including in connection with lending your Loaned Securities to other parties for their use in connection with settling short sales or making deliveries, or for facilitating settlement of short sales or making deliveries by Apex, its affiliates and/or its customers.

**Your Compensation with respect to Loaned Securities:** Except where otherwise agreed between you and FCUL and Apex, you will be paid a portion of the stock loan fee received by Apex for relending your Loaned Securities. Unless otherwise noted, the portion payable to you is as agreed in the Agreement, which may be amended by FCUL and Apex at any time without prior notice to you. The amount of any such compensation paid to you is available electronically. You will not receive any portion of any other compensation FCUL or Apex may earn in connection with the re-lending of your securities, including without limitation any interest FCUL and Apex may earn on Collateral provided to you, any interest or distributions on collateral Apex may receive from counterparties to which it re-lends the Loaned Securities, or any commissions Apex may receive in connection with any executions of transactions for the account of parties that borrow securities from Apex. The key factors that influence the amount of compensation received by Apex for re-lending the Loaned Securities – and therefore the amount paid to you – is (i) the availability of the securities for lending in the marketplace relative to the demand to borrow such securities and (ii) then-current interest rates. You generally have an opportunity to earn more compensation when the Loaned Securities become limited in supply relative to demand (i.e., become “hard to borrow” securities) and you generally have an opportunity to earn more compensation when interest rates, particularly short-term rates, are high.

**Collateral for Loaned Securities:** Pursuant to the Agreement, in exchange for the Loaned Securities, Apex will deliver Collateral to you.

There is the risk that Apex will default in some way, for example by becoming insolvent, which could result in Apex failing to return borrowed securities to you. If Apex's default results from something other than an act of insolvency, Apex will have the right to cure that default.

FCUL and Apex will have the right to liquidate any securities loan in the event of your: (a) applying for or consenting to, or becoming the subject of an application for, the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of all or a substantial part of your property; (b) admitting in writing your inability, or becoming generally unable, to pay your debts as such debts become due; (c) making a general assignment for the benefit of your creditors; or (d) filing, or having filed against you, a petition under Title 11 of the United States Code, or having filed against you an application for a protective decree under Section 5 of SIPA, unless the right to liquidate such transaction is stayed, avoided, or otherwise limited by an order authorized under the provisions of SIPA or any statute administered by the SEC.

You can choose to opt out of the FCUL Stock Lending Program at any time by contacting FCUL.