

**MOTIF Investing, Inc.
Motif Impact Account
Terms and Conditions**

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Motif Impact Account, Terms and Conditions

Introduction. Motif Impact portfolios are designed to provide an entry point for self-directed investors to develop an asset allocation investment strategy.

Investors can access these portfolios by holding a Motif Impact account and achieve exposure to these seven key asset classes: U.S. Stocks, Developed Equities, Emerging Equities, U.S. Real Estate, Commodities, U.S. Bonds, and International Bonds. For details on how we constructed our Impact portfolios, please refer to the white paper, [Motif Impact Investment Models Overview](#).

Application and Onboarding. If you wish to establish a Motif Impact account, you will be required to submit an application and fulfill certain funding requirements.

You can apply for Motif Impact accounts with registrations as sole ownership, joint tenancy with rights of survivorship, and Individual Retirement Accounts (IRAs). All Impact accounts are cash accounts – margin accounts are not available.

Investment Profile. To establish your Motif Impact Account, you will be required to complete an Investment Profile, specifying your investment goal, risk tolerance, and time horizon. Optionally, you can also enter a dollar value you aspire to realize from your investments as well as an environmental, social, or corporate governance (ESG) value you want to reflect in your investments.

You can establish multiple Impact accounts to targeting different goals, each reflecting a corresponding risk tolerance level and time horizon. For example, you may set a goal to save for retirement to have a longer time horizon than a goal to save for a home purchase. Either way, you can vary your inputs and control your investment strategy across multiple Impact accounts. As you direct Motif on how to transact on your behalf, you fully control your investment decisions.

Impact Account Investments. Another key step involves establishing your investment plan by selecting among the seven Impact motif(s), to create your investment portfolio. To help with your selection, you can access detailed information about each motif, including their underlying securities, weightings, and prevailing share price. Motif Impact Portfolio holdings are comprised of stocks, American Depositary Receipts (ADRs), and Exchange Traded Funds (ETFs) – all of which are subject to market risk and volatility. The portfolios do not include positions for cash or cash equivalents.

The Impact portfolios follow an established model that adjusts to the so-called “glide path” trajectory. Over a long-term investing time horizon, the portfolio seeks greater exposure to

stocks compared to bonds, and adjusts toward a more conservative allocation that favors bonds over stocks as the time horizon shrinks.

The composition of your Impact portfolio can vary from the glide path benchmark portfolio based on your specified risk tolerance, investment time horizon, and investment goal. In addition, the composition of your portfolios will be adjusted toward your unique needs based on your stated time horizon, risk tolerance, and ESG value results you have selected.

[Creating and Managing Your Impact Portfolio](#). Based on your investment profile, a default target asset allocation model will be created for you. This model assigns a percentage weighting for each of the seven asset classes based on the glide path described above and together add up to 100%. At any time, you may change this default target allocation to a custom allocation of your choosing.

You can customize the composition of any portfolio by adding or deleting the underlying stocks, ADRs, or ETFs at any time. Customizing the Impact portfolios this way will convert your Impact account to a standard trading account on the Motif platform. Your account will appear as a standard Motif brokerage account and your customized portfolios will appear as separate motifs in your account. A standard Motif brokerage account, allows you to easily create a customized portfolio, or motif, that contains up to 30 stocks, ADRs, and ETFs. You can add or remove these securities from your motif, and adjust their weightings anytime.

[Initial Deposit and Subsequent Contributions](#). The minimum initial deposit and account balance for a Motif Impact account is \$1,000. You will not incur a penalty if the total market value of your positions drops below the required minimum balance. If any fund withdrawals from your Impact account results in a balance below the required minimum, your account will be converted to a regular Motif brokerage account.

You can also set a recurring schedule to automate your deposits. The minimum amount for recurring contributions is \$250 and you can set these deposits to occur bi-weekly (every two weeks), monthly, or quarterly. Recurring deposits are funded through ACH transfers from linked bank accounts. You can also make separate deposits to your Impact Account through ACH transfers from linked accounts. Each deposit will contribute to the cash balance of your Motif Impact account.

You can change the frequency of your automated deposits or their dollar amount from the Transfers page of your account. You are not required to commit to a recurring contribution schedule.

[Automated Cash Balance Investing](#). Motif Impact accounts are designed for you to invest your available cash rather than to accrue large cash balances. Cash deposits, dividend distributions, or other cash disbursements all contribute to your available cash balance. When your cash balance exceeds \$250, orders to purchase additional shares of securities will be created based

on the weightings of the stocks, ADRs, and ETFs in your target allocation of your Investment Plan.

An email message summarizing the pending orders will be sent for your review at the close of the market. Those orders will be placed as market orders pending execution at the open of the next business day. During the period of time you receive the notice and prior to the next market open, you are responsible for reviewing the orders, and either taking action to cancel or make adjustments to those pending orders, or to allow the orders to stand as pending market orders. Your inaction to cancel these orders is tantamount to your authorization to execute the orders. You are responsible for closely monitoring your account, the status of transactions pending on your account, notifications generated from your account, and the outcomes of the activities that occur in your account.

At any time, you can disable automatic Cash Balance Investing from your BLUE plan management page. Any changes made after 4:30pm ET on a trading day will go into effect the next trading day. If you would like to make changes to any next-day orders, you must first cancel these orders from your Orders page.

[Automated Account Rebalancing](#). Price fluctuations in the motifs' underlying securities and other events may cause your portfolio's allocation to drift from your specified targets. In order to realign your portfolio with your risk appetite and intended allocation, it is necessary to rebalance your portfolio periodically.

Motif Impact portfolios are subject to quarterly rebalancing. Motif will send you an email notification before this event occurs. A day before the scheduled rebalance, you can either accept or cancel the rebalance, or edit your portfolio allocation. In all cases, you are responsible for monitoring your account for the rebalancing notifications and for making any desired changes in a timely manner ahead of the scheduled transaction(s).

When your Impact portfolio drifts from your target allocation more than your drift threshold (default is set at five (5) percent), orders will be placed automatically at market close to bring its current allocations to your specified targets. You will receive an email notification of the impending scheduling of any buy, sell, or rebalance actions scheduled based on the drift of your portfolio from your original allocation. You may cancel or adjust any pending orders prior to the next market open. Your inaction to cancel these orders is tantamount to your authorization to execute these orders. You are responsible for closely monitoring your account, the status of transactions pending on your account, notifications generated from your account, and the outcomes of the activities that occur in your account.

You may change the drift threshold or disable automatic Account Rebalancing at any time from your BLUE program management page. Any changes made after 4:30pm ET on a trading day will go into effect the next trading day. If you would like to make changes to any next-day orders, you must first cancel these orders from your Orders page.

[Impact Account Trades](#). As part of automated cash investing or account rebalancing, all buy and sell orders for Impact accounts are treated as market orders to be executed the following business day at the market open.

Impact account buy orders cannot be manually entered and executed as market orders. However, automated orders can be canceled, ahead of the next market open from your Orders page.

Impact sell orders can only be manually entered by Motif Customer Service reps. Sell orders can either be entered as market orders for execution at the prevailing market price at the time the order is entered in which case your Impact account will be converted to a regular Motif brokerage account. Alternatively, you may request your sell orders to be set as market orders good for the next market's open. In doing so, your account will remain an Impact account.

Stop or limit orders cannot be placed from an Impact account.

Motif Investing will require an excess cash reserve equivalent to two (2) percent of the value of your purchase order as protection against market fluctuation on opening prices the next trading day. You may not rely on Motif Investing's system controls to reject such orders, and you have an obligation to refrain from placing any transactions that suggest over-purchase or excess equity requirement. The reserve requirement allows for multiple transactions on one motif to be executed with dollar-denominated, fractional share purchases. The execution of your orders may result in slightly more or fewer shares than specified on the Orders page due to market fluctuations occurring at the next market open.

[Trade Notifications](#). Motif will notify you by email one trading day in advance of when a trade will occur. The notification will contain the following information:

- Date on which the pending trade is expected to be executed
- Name of each motif with buy or sell orders
- Your specified investment value for each motif
- Expected day and time of execution

You are responsible for monitoring your account for notifications and for taking action to either cancel or adjust your pending orders within the required timeframes. By taking no action within the required timeframe, you are confirming your agreement for the orders to execute as described in the notifications.

[Tax Events](#). As a reminder, the sale of any security position will result in taxable events. With a Motif Impact account, the sale of your holdings can involve up to 150 individual transactions. A rebalancing event may also result in adjustments to Impact motifs, including full and/or partial sales of securities. Motif will make available to you the necessary tax forms and statements to

report taxable events; however, Motif does not provide investment or tax advice. You may want to consult a tax or estate planning advisor regarding the tax consequences of these transactions.

[Modifications and Termination of Motif Impact Account](#). You may modify your investment plan on your Investment Plan & Target Allocations page. Any changes made after 4:30 pm ET on a trading day will go into effect on the next trading day. You may cancel any automated transactions at any time before 9:20 am ET on the scheduled recurring trade date from your Orders page. If notices are sent on a day that is not a trading day, your modifications will go into effect on the next trading day after Motif receives your modifications.

Motif reserves the right to modify or terminate your Motif Impact Account at any time and for any reason. You will remain liable for all items that have not been settled at the time your Motif Impact Account terminates.

[Service fees.](#)

Motif Investing specifies the annual fee rate it charges you and posts the licensing fee on the pricing page on our website. Fees due shall be calculated by multiplying the licensing fee by the net market value of all Motif Impact positions as of the close of trading on such day, or as of the close of markets on the immediately preceding trading day for any day when the markets are closed, and then by dividing by 365 (except in any leap year, during which year the amount shall be divided by 366). Except as provided below, the fees due for each calendar month (consisting of the aggregate of the daily fee for each day in that calendar month) shall be due and payable in arrears no later than the tenth business day of the immediately following calendar month. Motif will promptly notify you of any increase or decrease in the licensing fee. An increase in the licensing fee will be effective for your account starting in the next month that begins at least 30 days after Motif sends or posts such notice. A reduction in the licensing fee will be effective for the Motif account starting in the next month following its reduction.

If you close your Motif Impact Account, withdraw the entire balance of the Impact Account, or otherwise terminate this Agreement on any date other than the last business day of the month, you shall pay any outstanding aggregate daily fees for the period from the day immediately following the last day of the last calendar month for which you have paid, through the effective date of such withdrawal or termination, as of such effective date.

If, for any reason, Motif shall close and liquidate all the positions held in your Motif Impact Account, you may receive the proceeds of the liquidated portion of the Account, and this Agreement shall terminate.

If for any reason there is insufficient cash available in the Account to cover Motif's fees at the time they are charged and deducted from the Account, Motif, in its sole discretion, may cause Securities in your Motif Impact Account to be liquidated to cover its fees. Motif reserves the right, in its sole discretion, to reduce or waive the licensing fee for

certain Accounts for any period of time determined by Motif. In addition, you agree that Motif may waive its fees for accounts other than yours, without notice to you and without waiving your fees.

[Motif Impact No Compromise Guarantee \(valid start date through March 1, 2018\).](#)

Note: The No Compromise Guarantee program has ended. Any clients may remain eligible for this first year guarantee if their initial deposit into an Impact account was invested prior to March 1, 2018.

Motif Investing stands behind the performance of Motif Impact Portfolios. If, after the first year of account opening, the performance of the model portfolio, with the values filter that you select, underperforms the corresponding base portfolio by one (1) percentage point or more, Motif will refund 100 percent of your subscription and/or licensing fees incurred during the first year your Motif Impact account was opened. The one-year period begins on the day your first Motif Impact Portfolios transactions are processed. Should you update the weightings, time horizon, or risk tolerance of your Impact Portfolios, your account will no longer be eligible for the refund. Your account will remain eligible for quarterly rebalance activity. The comparison between the performance of the client's Impact Portfolios investment and Motif's benchmark model is determined as follows:

- For a given investment horizon and risk tolerance, a client who does not express any affinity to values will have an asset allocation based on seven motifs (five motifs with portfolios comprised of individual stocks, and two motifs with portfolios comprised of only ETFs). This is the "default" model and is the benchmark for the impact performance guarantee.
- For a client with the same investment horizon and risk tolerance that expresses a value, for example "Sustainable Planet", the client will use the same asset allocation model but the asset allocation model will be implemented using five "Sustainable Planet" versions of the default stock-portfolio motifs and the two motifs with ETFs. The motifs containing only ETFs will be no different for the value-sensitive portfolio.
- The value-sensitive motifs differ from the default motifs in that stocks with poor value scores are replaced with stocks with higher value scores (e.g., stocks with higher value scores with an affinity toward reducing climate change).
- The impact guarantee measures the benchmark default model against the Impact portfolio for a client who expressed an affinity toward value-sensitive investments expressed by the client— in this example fighting climate change. The guarantee is that the value-sensitive portfolio would not underperform the default portfolio by more than one (1) percentage point.
- Motif will measure the performance of the default model against the value-sensitive Impact portfolios created by the customer. This determination would be made a year after the customer first places the trades for the Impact portfolio model, and in this example would be the default model vs. the client's "Sustainable Planet" Impact portfolios.

- The comparison will be done at the model level (i.e. default model) vs. value-sensitive model. Performance comparisons will not be made based on the account's actual realized performance. No fees or commissions will be considered in the calculation.
 - Refund will be limited to only the fees associated with the Impact Portfolio account. Any trading fees, or fees associated with unlimited trading will not be eligible for this refund.
 - Licensing fees will be refunded as cash and deposited into your Impact Portfolio account.
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[Customer Acknowledgements; Terms and Conditions](#). These Terms and Conditions are in addition to, and do not replace, the terms as outlined in: (1) the Motif Investing, Inc. Customer Agreement (including the description in the Customer Agreement of Order Entry, Market Volatility and Market Orders); and (2) the Motif Investing, Inc., Terms of Use, and the Auto-Invest and Auto-Rebalance Terms and Conditions as published on our website.

You agree that Motif will not be liable for any loss incurred by you in connection with your investments in the Motif Impact account. You will indemnify us and our officers, employees, agents, successors, and assigns against any and all claims or liabilities by virtue of us acting on your investment instructions. This indemnity is unlimited and will be binding upon your heirs, successors, and assigns. Motif will have no liability for costs or damages resulting from any inaccurate information that you provide us, or from any failure on your part to update any information that you have provided us.

You acknowledge and agree that the investment products and services described and made available throughout the Motif Investing, Inc. website, including all motifs, as well as the Motif Impact Account, are provided for general informational purposes only and do not constitute investment recommendations, nor tax or legal advice. Under no circumstance is any of the information contained on the website to be used or considered as an offer to sell, or a solicitation of an offer to buy, any particular security or securities or a recommendation to pursue, or an opinion as to the suitability of, any investment strategy.

You understand that you are solely responsible for all investment decisions you make regarding your Motif Impact account, including all transactions and instructions you direct to Motif, and any subsequent transactions that occur within the account. Any order properly entered in your Motif Impact account will be executed based on instructions deemed to be at your direction. Consequently, you are responsible for the outcome of such transactions, including the possible loss of principal invested. You understand the risks involved with transacting in securities, including fluctuations in the value of your holdings.

You are solely responsible for providing the investment direction and instructions for your Motif Impact account. You bear responsibility for knowing the frequency of the transactions, including recurring transactions, based on the instructions you have provided. While Motif intends to provide you with courtesy reminders of upcoming transactions to your Motif Impact

account, you are responsible for notifying Motif of any changes, or cancellation instructions that you wish to apply to your Motif Impact account. Any transactions processed are therefore considered instructions directed by you for Motif to process.

By providing market and account information available to you through the Motif website and mobile app, and by facilitating your investment through the Motif Impact account, Motif Investing is not advising you to invest in any particular security or securities, or to pursue any particular investment strategy. Motif Investing does not have verifiable access to information related to your financial standing or risk tolerance. You are responsible for the data you provided about your financial standing, risk tolerance, time horizon, and values, as well as making any changes or updates to that information, which may modify the results of your portfolios; thus, as a self-directed investor, you are responsible for your inputs that helped create your unique portfolios, as well as the providing the authorization for any resulting transactions. Although our website may provide various educational resources, including tools that help you assess your risk tolerance, Motif Investing does not determine whether published resources, which are designed to help you review your investments, will result in investments suitable for your investment needs. All investments entail risks, and you are responsible for determining whether you can take on the risks of using the tools to aid your investing decisions or of investing in any security offered by Motif Investing.

No information presented constitutes a recommendation by Motif Investing to buy, sell, or hold any security, or to engage in any specific investment strategy. Motif makes no representation regarding the suitability of a particular investment or investment strategy. You are responsible for all investment decisions you make, including the risks you take as a result of these decisions. Investments are subject to market risks, volatility, and price fluctuations, all of which can affect the value of your portfolio.