**Important Information about the Fully Paid Securities Lending Program**

Our clearing firm, Apex Clearing Corporation (“Apex”), operates a fully-paid securities lending program (the “Securities Lending Program”). When you open a brokerage account with Open to the Public Investing, Inc. (“Public Investing”), you can choose to participate in Apex's Securities Lending Program.¹

If you are enrolled in the Securities Lending Program, Apex may loan out shares held in your Public Investing brokerage account to other investors and institutions (e.g., retail investors, banks, market makers, institutional investors). Shares loaned out by Apex are typically used by borrowers to facilitate short sales. Those borrowers pay a market-driven interest rate to Apex. Apex shares the interest it receives from lending your shares with you and Public Investing.

**You will receive at least 10% of the total net proceeds earned and received by Apex for lending your shares.** That rate may be adjusted by Public Investing from time to time at its discretion, but shall never be less than 10%. To see your current percentage share of the net proceeds that Apex receives from loaning out your shares, please refer to our securities lending FAQ site. Note that if you enroll in the Securities Lending Program, there is no guarantee that Apex will lend out your shares, and, therefore, there is no guarantee that you will earn any interest in connection with this program.

The Securities Lending Program is governed by the **Master Securities Lending Agreement**, an agreement directly between you and Apex, as the borrower of your shares. The enclosed Disclosures explain in more detail the risks associated with the Securities Lending Program. Please take the time to read both the Master Securities Lending Agreement and the Disclosures.

You may opt-out of Apex's Fully-Paid Securities Lending Program at any time by sending an email to us at support@public.com with “Securities Lending Opt-Out” in the subject.

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¹ You are not eligible to participate in the program if you (i) have less than $5,000 in your Public brokerage account; (ii) have less than $50,000 in stated annual income, investable assets, and net worth respectively; (iii) have a stated investing goal to preserve capital; and (iv) have no stated investing experience. We may revise these eligibility criteria in the future at our discretion.
IMPORTANT DISCLOSURES REGARDING RISKS AND CHARACTERISTICS OF PARTICIPATING IN APEX CLEARING CORPORATION’S FULLY-PAID SECURITIES LENDING PROGRAM

Please read these important disclosures carefully before deciding whether to participate in Apex Clearing Corporation’s Fully-Paid Securities Lending Program and before signing a Master Securities Lending Agreement for Apex Clearing Corporation’s Fully-Paid Securities Lending Program. These disclosures describe important characteristics of, and risks associated with engaging in, securities lending transactions.

I. Introduction

Apex Clearing Corporation (“Apex”) offers eligible customers the ability to lend out certain of their fully paid and excess margin securities to Apex, which Apex may then lend to other Apex customers or to other market participants who wish to use these shares for short selling or other purposes. “Fully-paid securities” are securities in a customer’s account that have been completely paid for. “Excess-margin securities” are securities that have not been completely paid for, but whose market value exceeds 140% of the customer’s margin debit balance. In this disclosure and in the relevant agreements, we collectively refer to fully-paid and excess margin securities as “Fully-Paid Securities” or “Fully-Paid Shares”. Lending out your Fully-Paid Shares may be a way to increase the yield on your portfolio, because some shares are in high demand in the securities lending market and borrowers are willing to pay a loan fee for the use of your shares.

In the Apex Fully-Paid Securities Lending Program (the “Program”), you permit Apex to borrow from you any Fully-Paid Securities in your portfolio and loan these securities out in the securities lending market. Apex will have the discretion to initiate loans of your securities. You will not be asked to approve each loan before it is initiated, but you can sell your shares at any time or terminate your participation in the program. Apex will pay both you and your Introducing Broker a loan fee for the shares that Apex borrows from you.

Important Note: You will receive a Loan Fee for lending your Fully-Paid Shares to Apex. Apex splits the Loan Proceeds that it receives for relending the Fully-Paid Shares it borrows from you with you and your Introducing Firm. Your Introducing Broker determines the percentage, referred to as the “Percentage Rate,” of the Loan Proceeds you will receive. Your Introducing Broker may change the Percentage Rate in its discretion, but that percentage will not fall below the Minimum Percentage Rate set out in the Schedule to the Master Securities Lending Agreement. For additional information, please see Section XI.4 below. If you want to know the Percentage Rate that you are receiving for lending your Fully-Paid Shares, please contact your Introducing Broker.

II. Basic Mechanics of a Fully-Paid Lending Transaction

When the lending transaction takes place, your securities will be designated as on loan. In return, Apex will deposit collateral in a bank account for you to secure the amount of the loan. The current industry convention for the collateral calculation with respect to U.S. stocks is to multiply the security price by 102%, then round up to the nearest dollar, times the number of shares. Apex marks-to-market all positions daily to reflect changes in security prices. Apex reserves the right to adjust to US industry convention should that change or to raise or lower the collateral amount based on local laws or market custom outside the US; however, Apex will never collateralize the stock loan for less than 100% of the value. For example, Customer A has enrolled in the Program and Apex has borrowed 5000 shares of XYZ from Customer A. XYZ’s closing price is $22.15. The mark-to-market is calculated by multiplying $22.15 * 1.02 = $22.59 rounded up nearest dollar which is $23, making the collateral calculation $23 * 5000 = $115,000.
Apex will deposit either cash (U.S. dollars) or U.S. Treasury securities as collateral. U.S. Treasury securities are subject to market risk, meaning that the price of such securities may increase or decrease. As noted in the preceding paragraph, however, Apex will maintain collateral, including U.S. Treasury securities, if used as collateral, with a current market value at least equal to 100% of the current market value of the securities it borrows from you. U.S. Treasury securities are backed by the U.S. federal government. The credit risk associated with U.S. Treasury securities is therefore the risk that the U.S. government does not make, or does not timely make, payments owed with respect to such securities. Cash is generally not subject to market and credit risk.

Apex will be the counterparty borrower to all of the loans you make. That is, as a customer, you are transacting with Apex, which may, in turn, then transact on any relevant market. For all transactions in which you are lending your Fully-Paid Shares, Apex will be the borrower and Apex will be the party providing the collateral for you on the securities loan and paying your loan fees to you and your Introducing Broker.

III. SECURITIES LOANED OUT BY YOU MAY NOT BE PROTECTED BY SIPC.

THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 MAY NOT PROTECT YOU WITH RESPECT TO YOUR SECURITIES LOAN TRANSACTIONS IN THE PROGRAM. THEREFORE, THE COLLATERAL HELD FOR YOU MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF APEX’S OBLIGATION IN THE EVENT APEX FAILS TO RETURN THE SECURITIES.

IV. Loss of Voting Rights.

The borrower of securities (and not you, as lender) has the right to vote, or to provide any consent or to take any similar action with respect to the loaned securities if the record date or deadline for such vote, consent or other action falls during the term of the loan.

V. You Can Sell Your Loaned Shares at any Time.

Even though you have loaned your shares out, you can sell those shares at any time, just like any other shares in your Apex account. You do not have to wait for the shares to be returned to sell them. Even if the shares are not returned on time to settle your sale of the shares, Apex will be responsible for settling the sale, not you, and you will receive the proceeds from the sale of the shares on the normal settlement date for the sale.

VI. You Continue to Own Loaned Shares and Have Market Risk on Those Shares.

When you lend your shares, you continue to own the shares and you continue to have the market exposure inherent in ownership of the shares (i.e., if the share price decreases while you own the shares but are lending them out, the value of your position will decrease).

VII. Interest on Collateral.

Apex will determine, at its discretion and considering the interest rate environment, whether the Loan Fee that you and your Introducing Broker receive will include interest paid on the collateral securing your loan, if any. For additional information, please see Section XI.4 below.

VIII. The Securities Loaned out by You may be “Hard-to-Borrow” because of Short Selling or may be used to Satisfy Delivery Requirements Resulting from Short Sales.

The type of securities that are generally attractive to borrowers in the securities lending market, and which generate the highest loan fees, are “hard to borrow” securities. When you lend your
Fully-Paid Securities, it is likely that such securities will be used to facilitate one or more short sales where the borrower is selling shares in hopes that the stock will decline in value (the short seller later repurchases the stock to pay back the stock loan). Since you are holding the shares “long” in your account, the activity of short sellers potentially could affect the long-term value of your holdings.

You may elect not to allow your Fully-Paid Securities to be used in connection with short sales. If you make that election, however, Apex likely will not permit you to participate in the Program.

IX. Potential tax implications, including payments deemed cash-in-lieu of dividend paid on securities while on loan.

When you lend your Fully-Paid Securities, you are entitled to receive the amount of all dividends and distributions made on or in respect of the loaned securities. However, you may receive cash payments “in lieu of” dividends. If you are a U.S. taxpayer, cash payments in lieu of dividends are not the same as qualified dividends for tax purposes and are taxed as normal ordinary income (up to 37%) instead of the preferential qualified dividend rate of 20% (U.S. federal income tax rates quoted here are for 2022 and are subject to change). If you are not a U.S. taxpayer, Apex may be required to withhold tax on payments in lieu of dividends and any loan fees due to you, if applicable, at 30% unless an exception applies.

It is solely within Apex’s discretion whether to recall loaned shares from a borrower prior to a dividend, and Apex makes no guarantee to recall a loan prior to a dividend. With respect to other corporate actions affecting loaned shares, non-cash distributions that you are entitled to receive in connection with ownership of loaned securities will be added to the loaned securities on the date of distribution and will be transferred to you at termination of the loan.

Other special tax considerations could arise, and you are encouraged to consult a tax advisor for further information.

X. Apex has a right to terminate any borrow transaction in the event of a condition of the kind specified in FINRA Rule 4314(b).

Apex has a right to terminate any borrow transaction if you:

(1) apply for or consent to, or are the subject of an application for, the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of you or of all or a substantial part of your property;

(2) admit in writing your inability, or become generally unable, to pay your debts as such debts become due;

(3) make a general assignment for the benefit of your creditors; or

(4) file, or have filed against you, a petition under Title 11 of the United States Code, or have filed against you an application for a protective decree under Section 5 of the Securities Investor Protection Act of 1970 (“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.

XI. Factors that Determine the Amount of Compensation Received by Apex and Amount of Compensation to be Paid to You and Your Introducing Broker, and the Ability of Those to Change.

1. Fees Paid to Borrow Securities (and therefore the Fees You Will Receive) Are Subject to Frequent Change and Can Go Down (or Up) by 50% or More.
The fees paid to borrow shares change frequently, even daily, in the securities lending market and this can reduce (or increase) the fees that you and your Introducing Broker receive for loans of your Fully-Paid Securities. You will not have direct control over when to initiate or terminate loans of specific shares (including based on fee changes). However, you can always terminate your participation in the Program (which will terminate all of your lending transactions) if you are unhappy with the fees you are receiving or the nature or frequency of fee changes. Please note, though, that if you terminate your participation in the Program, you may not be permitted to re-join the Program, or you may have to wait a certain length of time to re-join.

1. **Apex is the Counterparty to All Fully-Paid Lending Transactions with You. Apex May Profit or Lose in Connection with the Transaction or Other Transactions in the Same Securities. Apex May Pay Part of the Loan Fees to Third Parties, Which Will Reduce the Rate You Receive.**

   Apex will be the counterparty (borrower) when you permit borrowing of your Fully-Paid Shares. Any transactions that Apex may or may not do on any securities lending markets are completely independent of your loan transaction with Apex. Thus, after Apex borrows shares from you for a given fee, Apex may or may not then lend those shares to another party or to or through an affiliate or third party. Likewise, Apex may terminate a loan with you and return shares to you while at the same time Apex continues to lend shares of the same stock out to the marketplace. In short, Apex’s obligation to you is to pay you and your Introducing Broker the specified fee on ongoing loan transactions until such transactions are terminated by you or by Apex. Nothing in the Program restricts Apex’s ability to conduct stock lending and borrowing transactions with third parties who may profit or lose in connection with the transactions.

   Apex may borrow shares from you and then lend those shares to one of its affiliates or other customers.

3. **There Is No Guarantee That You and Your Introducing Broker Will Receive the Best Loan Fees Available for Your Shares.**

   The securities lending market is not a standardized and transparent market. Securities lending transactions generally take place “over the counter” rather than on organized exchanges where prices and transactions are transparent. There are no rules or mechanisms that guarantee or require that any given participant in the marketplace will receive the best fees for lending shares, and Apex cannot and does not guarantee that you and your Introducing Broker will receive the most favorable fees with respect to shares of your securities that Apex loans to third parties. Apex may not have access to the markets or counterparties that are offering the most favorable fees or may be unaware of the most favorable rates.

4. **Commissions and Other Charges**

   You and your Introducing Broker will receive a Loan Fee, which will accrue daily. As described in the Schedule to the Master Securities Lending Agreement, the Loan Fee equals a percentage, referred to as the “Percentage Rate,” of the “Loan Proceeds.” The “Loan Proceeds” are (1) the net proceeds Apex receives for relending your Fully-Paid Shares, and/or (2) at the discretion of Apex and depending on the interest rate environment, a share of the interest that Apex receives on the collateral it deposits to secure the shares that it borrows from you.

   The Percentage Rate may be changed by your Introducing Broker in its sole discretion, but will not be less than the Minimum Percentage Rate set out in the
Schedule to the Master Securities Lending Agreement. Likewise, the Loan Fee may vary based on the demand for borrowing the types of Fully-Paid Securities available in the customers’ accounts and other factors. Similarly, the bank may change the interest rate it pays on collateral that Apex deposits with that bank to secure the shares Apex borrows from you.

You may always terminate your participation in the Program if you are unhappy with the Percentage Rate you are receiving from the Introducing Broker.

XII. Loans May Be Terminated at Any Time By Apex

When you lend your Fully-Paid Shares, the loan may be terminated, and the shares returned to your Apex account at any time. The loan may be terminated because a party that borrowed the shares from Apex (after Apex borrowed them from you) chose to return the shares, or because Apex received a rerate request and rejected the rerate request, or for other reasons. Apex also has the right to terminate its borrowing of shares from you even if Apex continues to lend the same stock through another market. When the loan is terminated, shares will no longer be designated as on loan, you and your Introducing Broker will stop receiving the Loan Fees, and the collateral will no longer be held for your benefit. You will not have direct control over when to initiate or terminate loans of specific shares. Please note, however, that you can always terminate your participation in the Program, which will terminate all of your lending transactions.

XIII. Selling Your Shares or Borrowing Against Them Will Terminate the Loan Transaction.

If you sell the Fully-Paid Shares you have lent out, or if you borrow against the shares (such that the securities become margin securities and are no longer fully-paid or excess margin securities), the loan will terminate, and you and your Introducing Broker will stop receiving the Loan Fee.

XIV. There Is No Guarantee That Apex Can or Will Borrow, or Will Be Able To Lend, Your Fully-Paid Shares

There is no guarantee that you will be able to lend (or that Apex will want to borrow) your Fully-Paid Shares. There may not be a market to lend your Fully-Paid Shares in a particular security at a fee that is advantageous, or Apex may not have access to a market with willing borrowers. Apex, or other Apex customers or Apex’s affiliates, might have shares that may be loaned out that will satisfy available borrowing interest and, therefore, Apex may not borrow shares from you. There is no rule or requirement, nor is there anything in the applicable agreements between you and Apex, that requires Apex to borrow shares from you or requires Apex to place your interest in lending shares of a particular security ahead of Apex’s own interests, or those of other Apex customers or those of Apex’s affiliates. Apex cannot and does not guarantee that all your Fully-Paid Shares that possibly could be loaned out to generate Loan Fees will be loaned out.