



## Fractional Share Trading Disclosure

In consideration of Apex Clearing Corporation (“Apex”) and Firstrade Securities Inc. (“Firstrade”) allowing me to purchase and sell fractional interests of certain securities (“fractional shares”), I agree, with respect to any Account, whether margin or cash, to the terms in this addendum (“Addendum”) to the Customer Account Agreement (“Agreement”). Unless noted otherwise, capitalized terms have the same meaning here as in the Agreement. In the case of conflict between the Agreement and the Addendum, the terms of the Addendum will control for purposes of the subject matter herein.

I acknowledge and understand that:

- Engaging in fractional share trading poses unique risks and limitations, including but not limited to those set forth herein. I agree that Firstrade and Apex shall not be held liable for risks such as those disclosed herein, including risks in connection with the execution, handling, purchasing, and selling of fractional shares for my account.
- Firstrade and Apex reserve the right to limit the stocks available for fractional share trading at any time. Fractional Share trading is available only for certain equities and ETFs. Apex analyzes the equities and ETF based on market cap, volume, liquidity, and volatility to determine which to offer as fractional shares. The list of equities and ETF available to trade in fractional shares can be found on Apex’s website.
- Firstrade will accept market and limit orders in dollar values or in share values for fractional share trades. Fractional Orders may only be placed during market hours (9:30 a.m. – 4:00 p.m. Eastern) and are subject to all applicable market rules and conditions, including but not limited to restrictions, suspensions of trading, and delays.
- Apex will administer the purchase, sale, and holding of fractional shares. All holdings of fractional shares are rounded to the fifth decimal place, the value of fractional shares to the nearest cent, and any dividends paid on fractional shares to the nearest cent. I understand this may affect, among other things, my ability to be credited for dividends and stock splits.
- Apex will not accept purchases of less than \$5.00. I will receive proceeds from the sale of any whole or fractional shares, less any regulatory trading fees, rounded to the nearest \$0.01.
- In connection with any fractional share component of any purchase or sale transaction, Apex (or an Apex affiliate) will generally act as a counterparty and will execute that portion of the trade as a principal or riskless principal. Firstrade’s customers maintain day-to-day control over any fractional shares in their account, however, fractional shares cannot be transferred to another brokerage firm. If a customer wishes to transfer holdings in their account to another brokerage firm, the fractional shareholdings will not be transferred and will be liquidated before the transfer process. It’s worth considering that this liquidation may result in potential tax consequences for the customer.

- For a variety of reasons, including those set forth herein, the actual amount of an executed order to buy or sell a dollar value of a security may be higher or lower than the amount requested.
- Orders containing fractional shares (“Fractional Orders”) will be executed by Apex at the price Apex receives in the market. The fractional share component of any Fractional Order will be executed by Apex as a whole share order in the market, with the fractional share then allocated to my Account.

**Buy Orders:** When Apex executes Buy orders for fractional shares it rounds up the order to the next higher round number of shares then marks order as a principal trade and executes the order for its own account. Apex then divides the shares into the fractional amount associated with the client’s order and puts the remaining fraction into its own account.

**Sell Orders:** When Apex executes a Sell order for fractional shares, it rounds up the order to the next higher round number of shares then marks the order as a short sale. Apex then divides the proceeds of that order into the requisite amount for the client’s order and puts the remaining amount into its own account.

Accordingly, when Apex executes fractional share orders, the customer may see its Buy orders marked as Principal trades and its Sell orders marked as short sales.

- The customer will receive payments of dividends, or in some cases in connection with stock dividends, either shares or commensurate value, and will otherwise participate normally in any stock splits, mergers, or other mandatory corporate actions.
- Apex will aggregate any proxy votes for fractional shares of Firstrade customers. The customer understands that, while Apex will report proxy votes, the issuer or issuer’s designated vote tabulator may not fully count such votes. Customers will not have voting rights for any fractional shares held in their account, will not be able to make voluntary elections on any corporate action including, without limitation, any tender offers, or rights offerings with respect to such fractional shares, and Apex cannot provide clients any other shareholder documentation for any holdings of less than one share.
- Any and all fractional shares within my Account (i) are unrecognized, unmarketable, and illiquid outside the Firstrade platform, (ii) are not transferrable in-kind, and (iii) may only be liquidated and the proceeds withdrawn or transferred out.