

## **CCMX Cash Management & Sweep Program Disclosures**

### **1. Introduction**

Free cash balances in your Carta Capital Markets, LLC (“CCMX”) Brokerage Account (your “Account”) are maintained at CCMX’s partner bank, JPMorgan Chase Bank N.A. (the “Program Bank”), in a Federal Deposit Insurance Corporation (“FDIC”) insured omnibus account for the exclusive benefit of CCMX’s customers (the “Deposit Account”), pursuant to an established sweep program (the “Sweep Program”).

These cash management and sweep program disclosures (“Program Disclosures”) contain important information and disclosures concerning the Sweep Program and how we will treat free cash balances in your Account. You understand that by opening your Account at CCMX, you are agreeing to opt-in to the Sweep Program, and represent and agree that you have read, understand, and agree to these Program Disclosures. These Program Disclosures supplement the terms and conditions in your CCMX Brokerage Account Agreement with us (“Brokerage Agreement”) governing your Account. In the event of a conflict between the terms of the Brokerage Agreement and the terms of these Program Disclosures, the terms of these Program Disclosures will govern with respect to the Sweep Program.

All CCMX cash deposits are maintained in the Deposit Account at the Program Bank. The Program Bank is the sole deposit bank in the Sweep Program. Your Account is not a deposit account. You understand that CCMX is not a bank.

If you have any questions or want to opt out of the Sweep Program, please contact us at [support@cartacapitalmarkets.com](mailto:support@cartacapitalmarkets.com). You understand that if you elect to opt out of the Sweep Program you may be required to close your Account.

### **2. Your Relationship with CCMX and Instructions You Provide**

By participating in the Sweep Program, you understand, agree, and authorize CCMX to act as your agent as it relates to your participation in the Sweep Program. You understand and agree that by depositing funds in your Account, you are providing an instruction to CCMX to sweep your funds from your Account and transfer them to the Deposit Account consistent with these Program Disclosures. You understand that your Account is not a deposit account and that all free cash balances you deposit to your Account will be swept to the Deposit Account. You understand that an individual deposit account will not be opened for you at the Program Bank.

Your Account includes features allowing you to (1) electronically transfer funds via the Automated Clearing House (“ACH”) between your Account and external accounts at other financial institutions (“External Accounts”), and (2) arrange for wire transfers between your Account and External Accounts. Further details regarding these services are available in your Brokerage Agreement and associated attachments, including that certain Funds Availability Disclosure. You understand and agree that when you utilize these Account features and initiate a withdrawal from your Account, you are providing an instruction to CCMX to withdraw such amount from the Deposit Account and transfer them to your External Account. You understand that you are able to withdraw funds from your Account using the tools available to you on the CCMX platform, which will electronically initiate an ACH or wire transaction, as applicable, from your Account to the account you have designated, provided you submit a withdrawal request before the daily deadline as indicated on the CCMX platform and determined by CCMX. You understand that you must have adequate funds in the Deposit Account to initiate an ACH or wire transaction and that you instruct CCMX to transfer funds, as necessary, between the Deposit Account and your Account, to satisfy such transaction. You understand and agree that ACH transactions may be subject to processing delays up to five (5) days or longer. It is your responsibility to ensure that instructions are accurate before requesting an ACH or wire transaction. You agree to indemnify and hold CCMX and its affiliates harmless from any losses arising out of, or relating to, an attempt to amend or cancel an ACH or wire transaction request and any transaction that results in a loss due to an

erroneous, mismatched, or incomplete information on an ACH or wire transaction that results in such transaction to be rejected, lost, posted to another account, or returned to the originating bank.

Deposit Account ownership will be evidenced by a book entry on the account records of the Program Bank and by records maintained by CCMX. No evidence of ownership, such as a passbook or certificate will be issued to you.

Your Account statements will reflect your balances in the Deposit Account at the Program Bank. You should retain the Account statements for your records. You may at any time obtain information about your balances in the Deposit Account through your Account or otherwise by emailing CCMX support at: [support@cartacapitalmarkets.com](mailto:support@cartacapitalmarkets.com) or calling 209-651-6561.

All transactions with respect to the Deposit Account must be directed by CCMX and all information concerning the Deposit Account can only be obtained from CCMX. Notification of unauthorized activity and any complaints regarding the bank deposit program will be accepted by CCMX. The Program Bank has no obligation to accept instructions from you with respect to the Deposit Account or provide you with information concerning the Deposit Account.

### **3. FDIC Coverage**

Funds in the Deposit Account at the Program Bank are eligible for deposit insurance by the FDIC up to a specified amount of principal and accrued interest for each insurable capacity, when aggregated with all other deposits you hold in the same insurable capacity at the Program Bank. The FDIC insurance limit applicable to each insurable capacity is referred to in these Program Disclosures as the "Maximum FDIC Insurance Amount." The Maximum FDIC Insurance Amount for each insurable capacity is currently \$250,000. For purposes of the Maximum FDIC Insurance Amount, you must aggregate all other deposits held in the same insurable capacity at the Program Bank. For example, funds in the Deposit Account at the Program Bank held by an individual are insured up to \$250,000 with all other deposits held in an individual capacity at that Program Bank.

Your cash deposits are held in a single bank and the maximum FDIC coverage available to your Account is therefore \$250,000. Your funds become eligible for deposit insurance immediately upon placement into the Deposit Account at the Program Bank. Any deposits (including certificates of deposit) that you maintain in the same capacity directly with the Program Bank, or through an intermediary, will be aggregated with your deposits in the Deposit Account at the Program Bank for purposes of the Maximum FDIC Insurance Amount.

The Deposit Account constitutes a direct obligation of the Program Bank and is not directly or indirectly an obligation of CCMX. You can obtain publicly available financial information concerning the Program Bank at [www.ffiec.gov](http://www.ffiec.gov) by contacting the FDIC Public Information Center at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. CCMX does not guarantee in any way the financial condition of the Program Bank, nor the accuracy of any publicly available financial information concerning the Program Bank.

You will not have a direct account relationship with the Program Bank. By participating in the Sweep Program, you authorize CCMX, as your agent, to manage your interest in the Deposit Account at the Program Bank and make deposits to and withdrawals from the Deposit Account.

The information in these Program Disclosures applies, unless otherwise indicated, to each Account for which you are a client of record, whether as an individual, trustee, executor, custodian, or in any other capacity, and is furnished to you in each of such capacities in respect of all such accounts.

You are responsible for monitoring the total amount of funds that you hold with the Program Bank, directly or through an intermediary, in order to determine the extent of deposit insurance coverage available to you on your funds. CCMX is not responsible for any insured or uninsured portion of the Deposit Account or any other deposits.

In the event the Program Bank fails, the Deposit Account at the Program Bank is insured, together with all other funds you maintain, directly or indirectly at the Program Bank in the same insurable capacity, up to the Maximum FDIC Insurance Amount, for principal and any interest accrued to the day the Program Bank is closed. Under certain circumstances, if you become the owner of funds at the Program Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the Maximum FDIC Insurance Amount with any other deposits that you own in the same insurable capacity at the Program Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and CCMX is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and CCMX before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment. If the funds in the Deposit Account or other funds at the Program Bank are assumed by another depository institution pursuant to a merger or consolidation, such funds will continue to be insured separately, up to the Maximum FDIC Insurance Amount, from the funds that you might have established with the acquirer until: (i) the maturity date of any time deposits (including certificates of deposit) that were assumed; or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing funds with the acquirer held in the same capacity for purposes of FDIC insurance coverage. Any deposit opened at the acquirer after the acquisition will be aggregated with deposits established with the acquirer for purposes of FDIC insurance coverage.

#### **4. Managing Aggregate Balances**

Any funds (including certificates of deposit) that you maintain in the same insurable capacity directly with the Program Bank or indirectly through CCMX or another intermediary, regardless of the number of accounts, are aggregated by the FDIC for purposes of the applicable insurance limits. It is, therefore, important for you to monitor the total amount of funds that you have with the Program Bank, in order to determine the extent of FDIC insurance coverage available to you.

CCMX does not take responsibility for knowing your bank deposit account balances outside of your Account or where they are deposited. If you have multiple Accounts of the same type registered under the same tax identification number, the combined balance of those Accounts is used for purposes of determining FDIC insurance coverage.

#### **5. Questions About FDIC Insurance Coverage**

If you have questions about basic FDIC insurance coverage, you may wish to seek advice from your own attorney, including concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC Website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), or by email using the FDIC's On-line Customer Assistance Form available on its website. Disclosures regarding FDIC insurance coverage in this document are summary only, do not state all of the requirements and conditions of FDIC insurance, and are subject to, and qualified in their entirety by, regulations and guidance of the FDIC.

## 6. SIPC Protection

You understand and acknowledge that your funds are treated differently and subject to separate regulatory regimes depending on whether they are held in your Account or your Deposit Account. Specifically, CCMX is a member of the Securities Investor Protection Corporation (“SIPC”), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission (“SEC”). SIPC provides protection against custodial risk to clients of securities brokerage firms, like CCMX, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held for the purpose of purchasing securities in a client's Account at an insolvent brokerage firm. Deposited balances in the Deposit Account are eligible for FDIC insurance, however they are not eligible for coverage by SIPC.

If you have questions about SIPC protection, please email [support@cartacapitalmarkets.com](mailto:support@cartacapitalmarkets.com) or call 209-651-6561. You may also obtain information about SIPC protection, including a brochure that describes SIPC and SIPC protection, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).

## 7. No Customer Interest Paid

Your participation in the Sweep Program does not entitle you to any interest on any cash balances.

## 8. Information About the Deposit Account

You will not receive separate trade confirmations with respect to deposits to and withdrawals from the Deposit Account. All activity with respect to the Deposit Account will appear on your Account statement. For each statement period, your Account statement will reflect: all deposits to and withdrawals from the Deposit Account, and your opening and closing balances in the Deposit Account at the Program Bank.

CCMX is responsible for the accuracy of your statement, not the Program Bank. You may contact CCMX support at [support@cartacapitalmarkets.com](mailto:support@cartacapitalmarkets.com) or 209-651-6561 if you have any questions about Deposit Account transactions on your statement.

## 9. Changes to the Sweep Program

In general, you will receive notification by email in advance of material changes to the Sweep Program at least thirty (30) days before they become effective. All notices described in these Program Disclosures may be made in accordance with the notice provisions of your Brokerage Agreement.

## 10. Fees and CCMX Compensation from Cash Sweep Program

CCMX receives interest or other compensation on the funds held in the Deposit Account. CCMX has the right to waive all or any part of its compensation paid by the Program Bank.

CCMX may change the compensation with respect to the Sweep Program from time to time. Other than applicable fees imposed by CCMX on your Account, there are no additional charges, fees, or commissions imposed on your Account with respect to the Sweep Program.