

## **INVESTMENT SUB-ADVISORY AGREEMENT**

### **To: Investment Advisor**

Covestor Ltd. (together with its affiliates, “**Covestor**”), a company formed under the laws of the United Kingdom and registered under the United States Investment Advisers Act of 1940, as amended (the “**Act**”), hereby confirms its agreement with you regarding our right to acquire and use certain data generated by you, as well as the other matters set forth herein, on the terms and conditions set out herein and the appendices hereto and made a part hereof (collectively, this “**Agreement**”). This Agreement will be effective as of the date of your acceptance of the terms and conditions set forth herein (the “**Effective Date**”).

### **1. Provision of Data and Investment Advice**

a. You agree to provide Covestor with i) investment advisory services and ii) real-time access to your portfolio model(s) and all of your respective investment decisions, portfolio and trading activity and other portfolio-related data in such models, including, without limitation, securities, prices, volume traded and types of trades (collectively with investment advice, “**Data**”).

b. If you provide Data by opening and maintaining your own investment account(s) you agree to the access rules set forth on Appendix A (the “**Trading Rules**”). Covestor will notify you of any amendments to these rules. You are responsible for all investment activity and performance within such accounts.

c. Your posting of content, other than Data, on a website or service maintained by Covestor shall be governed by the Terms of Use posted on any such website or service, as they may be updated from time to time, which Terms of Use are incorporated herein by reference.

### **2. License.**

a. Data will remain your sole property and nothing in this Agreement will confer on Covestor any right of ownership in any Data except as otherwise explicitly set

forth in this Section 2. You hereby grant Covestor a worldwide, perpetual, irrevocable, non-exclusive license to use, publicly display, transmit, distribute, reproduce, manipulate, resell, sublicense and create derivative works from your Data. You agree and acknowledge that Covestor is entitled to use such Data in its investment advisory business.

b. Covestor has no obligation to include or use any of your Data, or to publish, broadcast, exhibit, transmit, distribute or otherwise exploit such Data in any manner or media.

c. You hereby grant Covestor a worldwide, perpetual, irrevocable, non-exclusive and royalty-free license to use, publicly display, transmit, distribute and reproduce your name and any related trademark or tradename in any of Covestor’s marketing materials in any medium.

### **3. Fees.**

Covestor will pay you fees (“**Fees**”) for your investment advisory services and certain uses of Data in the amount and in the manner set forth on Appendix E (“**Fees**”).

### **4. Warranties, Representations and Covenants.**

a. You represent, warrant, covenant and agree to and with Covestor that:

(i) The execution and delivery of this Agreement by you, the performance by you of your obligations hereunder and the consummation by you of the transactions contemplated hereby have been duly authorized by all requisite action on your part. This Agreement has been duly executed and delivered by you, and (assuming due authorization, execution and delivery by Covestor) this Agreement constitutes your legal, valid and binding obligation, enforceable against you in accordance with its terms;

(ii) The execution, delivery and performance of this Agreement by you does not and will not (A) violate, conflict with or result in the breach of your certificate of incorporation or bylaws (or similar organizational documents), if you are not an individual, (B) conflict with or violate any contract, agreement,

law, rule, regulation or order applicable to you;

(iii) You will not at any time act in contravention of the Trading Rules.

(iv) You will ensure that the information required to be disclosed in accordance with the disclosure statement set forth on Appendix B (the “**Disclosure Statement**”) is true, correct and complete in all respects;

(v) You will not at any time act in contravention of the code of conduct set forth on Appendix C (the “**Code of Conduct**”);

(vi) You agree that you and your agents and representatives will cooperate with Covestor, its agents and representatives, and any governmental agency or regulatory body in connection with any audit or investigation, including without limitation, (i) furnishing information and data, (ii) responding to interrogatories and (iii) being available for depositions;

(vii) You acknowledge that Covestor has the right not to disclose to you the identity of its clients or users, whether or not such clients or users use or otherwise benefit from Covestor’s use of Data;

(viii) None of you, your affiliates nor any of your or their respective directors, officers or beneficial owners of five (5%) percent or more of any class of any of your or their respective securities:

(A) has filed a registration statement which is the subject of any pending proceeding or examination under Section 8 of the Securities Act of 1933, as amended (the “**Securities Act**”) or is the subject of any refusal order or stop order thereunder or entered pursuant to the law of any state or any foreign jurisdiction;

(B) has been convicted of any felony or misdemeanor involving the offer, purchase or sale of any security or commodity or in connection with the making of any false filing with the Securities Exchange Commission (the “**SEC**”) or any state or foreign securities administrator, or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer or investment adviser;

or of any felony or misdemeanor involving fraud as an essential element, deceit or intentional wrongdoing, including, but not limited to, forgery, embezzlement, obtaining money under false pretense, larceny or conspiracy to defraud or of any crime involving moral turpitude or which is designed to protect consumers against unlawful or deceptive practices;

(C) has been the subject of any administrative order or judgment entered in any state by that state’s securities commission or administrator or issued by the SEC within five years prior to the filing of a claim of exemption or has been the subject of any administrative order or judgment in any state in which fraud, deceit, or intentional wrongdoing was found;

(D) is currently subject to any administrative order or judgment in any state or issued by the SEC which prohibits the use of any exemption from registration in connection with the offer, purchase or sale of securities;

(E) is subject to any order, judgment or decree of any court of competent jurisdiction or any state, or federal or foreign administrative order or judgment temporarily or preliminarily restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction, permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the offer, purchase or sale of any security or commodity or involving the making of any false filing with the SEC or any state or foreign securities administrator or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer or investment adviser or which restrains or enjoins such person from activities subject to federal or state statutes designed to protect consumers against unlawful or deceptive practices;

(F) is subject to any proceeding under Section 230.262 or any similar rule adopted under Section 3(b) of the Securities Act, or to any order entered thereunder;

(G) is subject to a United States Postal Service false representation order entered under Section 3005 of title 39, United States Code, or is subject to a restraining order or preliminary injunction

entered under Section 3007 of title 39, United States Code, with respect to conduct alleged to have violated Section 3005 of title 39, United States Code;

(H) is subject to an order of the SEC entered pursuant to Section 15(b), 15B(a), or 15B(c) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”); or is subject to any order of the SEC entered pursuant to Section 203(e) or (f) of the Act;

(I) is suspended or expelled from membership in, or suspended or barred from association with a member of, an exchange registered as a national securities exchange pursuant to Section 6 of the Exchange Act or an association under Section 15A of the Exchange Act; or

(J) is subject to any state, or federal or foreign administrative order or judgment (1) in which fraud or deceit was found or (2) which has the effect of enjoining such person from activities subject to federal, or state or foreign statutes designed to protect investors or consumers against unlawful or deceptive practices; and

(x) The foregoing representations and warranties shall be continuing during the term of this Agreement, and if at any time any event shall occur which could make any of the foregoing incomplete or inaccurate, you shall promptly notify Covestor of the occurrence of such event.

b. Covestor represents and warrants to you that:

(i) The execution and delivery of this Agreement by Covestor, the performance by Covestor of its obligations hereunder and the consummation by Covestor of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Covestor. This Agreement has been duly executed and delivered by Covestor, and (assuming due authorization, execution and delivery by you) this Agreement constitutes the legal, valid and binding obligation of Covestor, enforceable against Covestor in accordance with its terms; and

(ii) The execution, delivery and performance of this Agreement by Covestor does not

and will not (A) violate, conflict with or result in the breach of Covestor’s memorandum and articles of association (or similar organizational documents) or (B) conflict with or violate any contract, agreement, law, rule, regulation or order applicable to Covestor.

## **5. Confidential Information.**

a. “**Confidential Information**” means (i) with respect to Covestor’s information, (regardless of its form, manifestation or how it is known to you) the terms and conditions of this Agreement and information about certain matters which are confidential to Covestor and its affiliates and which information is the sole and exclusive property of Covestor, including, but not limited to, employees, suppliers, partners, clients, accounts, plans, business performance and other proprietary information, and (ii) with respect to you, the information disclosed in this Agreement, excluding the Data, and any other information furnished to us by you and designated confidential by you in writing.

b. Confidential Information shall not include information which the receiving party can show (i) was in its possession at the time of disclosure; (ii) prior to or after the time of disclosure became publicly known other than as a result of a breach of a duty of confidentiality due the disclosing party or its affiliates; (iii) was disclosed to the receiving party by a third person under no legal obligation to maintain the confidentiality of such information or (iv) was independently developed by the receiving party without reliance on any confidential disclosures of the disclosing party or its affiliates, as demonstrated by documentary evidence.

c. The receiving party acknowledges that the Confidential Information is of a sensitive nature and, therefore, agrees to at all times during the term of this Agreement and thereafter, hold all Confidential Information in strictest confidence and not to use or disclose the Confidential Information for any purpose whatsoever other than as required to perform under this Agreement except as may be required by law, rule or regulation or by the order or demand of a court or government agency or authority. The receiving party agrees not to duplicate all or any part of the Confidential Information, except as necessarily incidental to its

performance under this Agreement. The receiving party agrees to take all reasonable measures to protect the unauthorized disclosure or use of the Confidential Information typical for the information services industry.

d. The receiving party acknowledges that a breach or threatened breach of this section on Confidential Information shall result in the disclosing party suffering irreparable harm which cannot be adequately compensated by damages alone and that therefore, the disclosing party will be entitled to injunctive relief and other equitable remedies, in addition to any other relief to which it may become entitled, upon such breach or threatened breach.

#### **6. Audit Rights.**

a. Covestor shall have the right to conduct or have conducted on its behalf an audit of you to ensure compliance with Sections 4(a)(iv) and 8. You agree to provide, within fifteen (15) days written request therefore, any books, records and/or other information or data reasonably requested by Covestor for purposes of conducting such an audit.

b. You hereby consent to Covestor performing or having performed on its behalf audits of your and your affiliates' backgrounds, including without limitation, criminal, reference and credit checks, as well as employment history and educational record.

c. Once per calendar year, you have the right, upon thirty (30) days written notice and during normal business hours in a manner designed not to disturb Covestor's operations, to have a mutually agreed upon third party audit of Covestor's calculation of Fees. Covestor shall provide the books and records reasonably necessary for such purpose. If the audit concludes that such calculations resulted in an underpayment of Fees to you in an amount greater than five percent (5%) of the amount of Fees actually earned, Covestor shall bear the reasonable fees and expenses of such audit, including reasonable attorneys' fees and expenses; otherwise, you shall bear such fees and expenses. The results of such audit shall be treated as Confidential Information hereunder. Any auditor performing such an audit shall be required, as a condition of performing such audit, to enter into a reasonable and customary non-disclosure agreement in

favor of Covestor.

#### **7. Non-Solicitation.**

Without the prior written consent of Covestor, during the term of this Agreement and for twelve (12) months thereafter, you agree not to, directly or indirectly, alone or as a partner, officer, director, principal, employee, member or stockholder of any entity, solicit any Client, or any person or entity that was a Client at any time during the term of this Agreement, to use the services of anyone other than Covestor for investment advisory or investment and/or wealth management services.

#### **8. Future Investment Management Business Introduced to You.**

As a result of Covestor's services, you will have the opportunity to promote your fund management business. In consideration thereof, during the term of this Agreement or at any time for twelve (12) months thereafter, you acknowledge and agree to the following:

- a) If you receive any funds from Covestor and/or persons or entities introduced to you by Covestor (collectively, including Covestor, "**Introductions**") you will pay Covestor twenty-five percent (25%) of the management, performance, carry or other such fees and/or commissions you receive that are attributable to such funds, as and when you receive such fees for the full period you manage such funds.
- b) Funds introduced by Covestor shall be treated equally in all terms to any other funds you accept including equal management fees and equal access to your fund management capacity.
- c) You shall promptly indicate to Covestor those Introductions that have invested funds with you and the amount of such funds. So long as any Introductions have funds invested with you, you shall provide Covestor with regular financial reports of the same nature as provided to other investors in your fund management business.

- d) For the Purposes of this Section 8, Introductions shall include all Clients of Covestor and any person or entity that was identified and introduced to you by Covestor, including via its website Covestor.com, that you did not already have a signed agreement to manage their money prior to the date of your first acceptance of this Agreement or any predecessor agreement.
- e) For the Purposes of this Section 8, “fund management capacity” shall mean both i) any collective investment vehicle, whether regulated or not, and ii) access to having separately managed accounts managed by you.
- f) For the purposes of this Section 8, “fund management business” shall mean a business engaged in the investment of funds in public securities and specifically excludes venture capital and private equity businesses.

## **9. Indemnification.**

Covestor agrees to defend, indemnify and save you harmless from and against, and you agree to defend, indemnify and save Covestor harmless from and against: any and all claims, actions, suits, demands, costs, losses and liabilities (including all reasonable attorneys’ fees and expenses), arising directly or indirectly out of any breach of representations, warranties, covenants or agreements hereunder.

## **10. Limitations on Liability.**

a. EXCEPT AS SET FORTH HEREIN, COVESTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING ITS USE OF DATA, SERVICES PROVIDED BY COVESTOR, INCLUDING AS AN INVESTMENT ADVISOR REGISTERED UNDER THE ACT, OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

b. Notwithstanding anything herein to the contrary: the aggregate liability of Covestor under this Agreement

or otherwise related to the transactions contemplated hereby shall not exceed the Fees paid hereunder for the immediately preceding twelve (12) months.

c. No party will be liable to the other party for any special, consequential, incidental, indirect or exemplary damages (including loss of revenue or anticipated profits, lost business or lost data) related to this Agreement, even if that party has been advised of the possibility of such damages or losses.

## **11. Termination and Effect of Termination.**

a. Covestor may terminate this Agreement, for any reason or for no reason, upon thirty (30) days’ prior written notice to you.

b. You may terminate this Agreement for any reason or for no reason upon thirty (30) days’ prior written notice to Covestor. The accrual of Fees shall cease immediately upon your notice of termination of this Agreement.

c. Upon termination of this Agreement, or earlier upon Covestor’s request, you shall immediately deliver over to Covestor (and will not keep, recreate or deliver to any other person) all Confidential Information, intellectual property and other property of Covestor, together with all copies thereof, in whatever medium recorded that you may have within your possession or control, delete same from all electronic storage systems, and certify that you have done so.

d. You acknowledge that Covestor’s sole obligation to you on termination will be payment within ninety (90) days of termination, of those Fees, if any, due to you in accordance with the terms hereof.

e. You agree that the termination provisions herein, in terms of both notice and default events, are reasonable and that you will not contest same by way of wrongful termination proceedings or otherwise under any applicable laws.

## **12. Notice.**

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been

duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile, registered or certified mail (postage prepaid, return receipt requested) or email, or if to you, to the current email address on file with Covestor, to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 12):

a. if to Covestor:

1 Duchess Street  
London W1W 6AN  
notices@covestor.com  
Attention: Simon Veingard

b. if to you:

To the current address, email address or facsimile number on file with Covestor.

### 13. **Survival.**

The provisions of Sections 2, 5, 7, 8, 9, 10, 12, 15 and 16 shall survive any termination of this Agreement.

### 14. **Receipt of Disclosures.**

a. You acknowledge receipt of our Privacy Policy Notice (Appendix E) and a copy of our written disclosure statement as set forth on Part II of Form ADV (Uniform Application for Investment Adviser Registration) or another document meeting the disclosure requirements of the Advisers Act.

### 15. **General.**

a. You hereby agree and acknowledge that Covestor shall have the right, upon thirty (30) days prior notice, to amend the terms and conditions of this Agreement, without taking any further action; provided, that you do not object in writing to Covestor prior to the expiration of such thirty (30) day period. By continuing to provide Data beyond such thirty (30) day period without objection, you shall be deemed to have expressly agreed to the amendments set forth in such notice. Such notice shall be deemed dated and effective when mailed or emailed to you. Any change to the Fees

shall be effective only if (i) such change is within the parameters set forth on Appendix E or (ii) you are given (30) days prior written notice, and you do not object in writing to Covestor prior to the expiration of such thirty (30) day period.

b. This Agreement, including the appendices hereto and the Terms of Use incorporated herein, constitutes the entire agreement between Covestor and you concerning the subject matter hereof and supersedes all prior statements, representations, discussions, negotiations and agreements, both oral and written.

c. If any of the provisions of this Agreement shall be found to be illegal or unenforceable, this Agreement shall nevertheless remain in full force and effect, and such term or provision shall be construed as narrowly as required to render it legal and enforceable.

d. This Agreement and the rights granted hereunder shall not be assigned, encumbered or otherwise transferred by you without the prior written consent of Covestor. This Agreement and the rights granted hereunder may be freely assigned or transferred by Covestor.

e. No party's rights to enforce any provision of this Agreement shall be affected by any prior course of dealing, waiver, delay, omission or forbearance.

f. The insertion of headings is for convenient reference only and is not to affect the interpretation of the Agreement.

g. Each party to this Agreement agrees to do such things, attend such meetings and to execute such further documents and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with its true intent.

h. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

i. Nothing contained herein shall constitute or be construed as the creation of any partnership, agency or

joint venture relationship between the parties hereto. Neither party shall have the right to obligate or bind the other in any manner whatsoever, and nothing herein contained shall give or is intended to give any rights of any kind to any third persons. The relationship of the parties shall be as independent contractors. You agree and acknowledge that you are solely responsible for the payment of any taxes payable by you or levied on you as a result of your activities hereunder.

**16. Governing Law and Jurisdiction.**

a. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. All actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby (i) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any action arising out of or relating to this Agreement brought by either party hereto and (ii) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above named courts.

b. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS

AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15(b).

AGREED TO AND ACKNOWLEDGED

AS OF \_\_\_\_\_, 20\_\_\_\_:

BY: INVESTMENT ADVISOR

BY: COVESTOR, LTD.

\_\_\_\_\_  
Signature

Name:

Social Security / TIN:

Address:

\_\_\_\_\_  
Signature

Name:

Title:



## APPENDIX A: Trading Rules

You agree to manage your brokerage account used to provide Data as specified below.

Account Rules	
Model managers maintain their designated brokerage account in good standing with the broker dealer / custodian and grant Covestor access to the designated account for the purposes of monitoring daily trading activity and utilizing that activity as the basis for establishing and maintaining an accurate model of their strategy within Covestor.	
Broker / Dealer	Interactive Brokers
Account Type	Cash for models with risk score 1 or 2 Margin for models with risk scores 3 and above
Minimum Account Size	US \$10,000 for models with risk scores 1 to 4 US \$25,000 for models with risk score 5 per SEC requirements for day trading models
Deposits / Withdrawals	Maximum of one cash movement per month

Trading Rules	Model Risk Score				
	1	2	3	4	5
Asset Class	US Equities and Non-Leveraged ETFs	US Equities, ADRs, ETFs and Closed End Funds			
Market Cap Minimums	Equities \$10 billion / ETFs NAV \$500 million	\$50 million			
Avg Trading Volume Mins	10,000 shares (for ADRs minimum includes volume on domestic exchange)				
Margin	None		Not to exceed 50% of account net value		
Trade Type	Long Only			Long / Short	
Trade Time	Regular market opening hours only				
Day Trading	None				Allowed*
Portfolio Structure					
- Number of Holdings	Unlimited				
- Size of Holdings	Unlimited				
- Industry Sectors	Unlimited				

\* Minimum time between counter trade (i.e. buy/sell) in same security 15 minutes.

## **APPENDIX B: Disclosure Statement**

You agree the following are true and complete in all respects:

1. You are a Registered Investment Advisor under the 1940 Investment Advisors Act:
  - a) You are in good standing
  - b) You have provided Covestor with a copy of your current ADV II
  - c) You and any access persons of yours are compliant with all regulatory requirements

## **APPENDIX C: Code of conduct**

For your own protection as well as that of Covestor and Covestor's clients and users, you agree to comply at all times with all the following:

### Communications

- 1) Relating to your relationship with Covestor
  - a) You do not disclose any terms of this Agreement, including but not limited to the trading constraints and fees
  - b) If you describe your advisory or fund management role, you state clearly Covestor is your client.
  - c) You may not describe your relationship as being with Covestor's clients or imply that Covestor's clients and you have a regulated advisory, relationship.
  - d) Covestor will provide you with: descriptions of Covestor, trademarks and logos to use. Any other descriptive reference to Covestor in your marketing materials must be approved in advance by Covestor
- 2) Relating to your models and Data
  - a) You may answer questions directly from Covestor's clients and users to you. You should not provide any personalized investment advice to such clients and users but limit your responses to your own models and Data.
  - b) You must ensure any references you make conforms to the advertising restrictions of the Investment Advisors Act. Particularly, but not limited to, any performance claims you make relating to your Data
- 3) Relating to Covestor's Investment Management Service
  - a) You do not disclose anything relating to how the Covestor service works operationally, including staffing, systems and processes

### Fiduciary Relationship

- 4) Covestor is your client
  - a) You will act with full fiduciary responsibility to Covestor as you would with any other sophisticated investment advisory client.

### Trading

- 5) Relating to insider information and front-running
  - a) You do not trade in securities in which you possess any material nonpublic information
  - b) You do not take advantage of the timing of the release of your Data in order to improve your position in the ownership of securities

### Notifications

- 6) Relating to this agreement
  - a) You immediately notify Covestor of any breaches to your representations and warranties, including any material changes to the information contained in Exhibit B

7) Relating to communications

- a) You copy Covestor on all marketing communications of your own relating to this agreement
- b) You inform Covestor Press office at [press@covestor.com](mailto:press@covestor.com) of any direct requests from the press relating to your relationship with Covestor.

Cooperation

8) Relating to verification

- a) You fully cooperate with Covestor in allowing Covestor to evaluate your performance under this Agreement, including the accuracy and completeness of your representations & warranties.

## **APPENDIX D: Privacy Notice**

Last updated 25 May 2010

Covestor Limited have adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our members, clients and model managers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you.

This policy outlines the types of information we collect about you and how we use and safeguard that information. If you have any questions or concerns regarding this statement, you should contact [clientservices@covestor.com](mailto:clientservices@covestor.com).

### **1. What Information We Collect**

- a. When you sign up to become a member of Covestor, we collect certain non-public personal information about you (such as your name, address, social security number, email addresses, telephone numbers and personal, financial and investment status etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.).
- b. We also collect information about your brokerage accounts and transactions (such as account numbers, additions/withdrawals, purchases, sales, account balances, inquiries, etc.).

### **2. What Information We Disclose**

- a. We do not disclose the non-public personal information we collect about our clients and publishers to anyone except:
  - i. in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.);
  - ii. to persons assessing our compliance with industry standards (e.g. professional licensing authorities, etc.);
  - iii. our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.
  - iv. We are permitted by law to disclose the non-public personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose.
- b. If you decide at some point to either terminate our services or become an inactive client or publisher, we will continue to adhere to our privacy policy, as may be amended from time to time.

### **3. Security of Your Information**

- a. We restrict access to your non-public personal information to those employees who need to know that information to service your account.
- b. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your non-public personal information.
- c. The entire Covestor.com website uses secure socket layer technology (SSL) so that information displayed and submitted by you is always encrypted. No method of transmission over the Internet, or method of electronic storage, is 100% secure, however. Therefore, while we strive to use commercially acceptable means to protect your personal information, we cannot guarantee its absolute security.

#### **4. Communications**

- a. We will send you communications related to the servicing of your account when necessary to do so. These include but are not restricted to client take-on instructions and order confirmations.
- b. We will send you strictly service-related announcements on rare occasions when it is necessary to do so. For instance, if our service is temporarily suspended for maintenance, we might send you an email.
- c. Generally, you may not opt-out of these communications, which are not promotional in nature.

#### **5. Web Site Usage**

- a. When you visit our website we use “cookies” or other similar web tools to enhance the user experience. These tools enable us to maintain your web session while you browse the site as well as helping us provide you with a better, more personalized experience. Our cookies do not contain any personally identifiable information.
- b. Covestor automatically receives and records information on our server logs from your browser including your IP address, Covestor cookie information and the pages you request. We use this information to improve the functionality and usability of our services. Our log files are not tied to personally identifiable information.

#### **6. Amending Your Account Information**

- a. We are committed to keeping accurate and up-to-date records to help ensure the integrity of the services we offer. If you identify an inaccuracy, or need to make a change to it, please either update the information if you are able directly on our website or alternatively contact Client Services.
- b. Covestor has the right to edit, remove or add any information at any time at its sole discretion.

#### **7. Changes to our Privacy Policy or Relationship with You**

- a. Our policy about obtaining and disclosing information may change from time to time.
- b. We will provide you notice of any material change to this policy before we implement the change.

## **APPENDIX E: Fees**

Covestor will pay you Fees as follows.

### **1. Fees**

- a. The Fees payable to you will be 50% (“Participation Level”) of all management fees, collected by Covestor on assets that are subscribed by Covestor’s clients to your Data. Such management fees will include subscription fees, fees based on a percentage of the market value of the assets and performance based fees if any (collectively “Client Fees”)
- b. Covestor may increase or decrease the Participation Level on thirty days written notice to you
- c. The fee level Covestor charges clients for your Data (“Client Fee Level”) will be initially agreed with you
- d. Covestor may increase, decrease or otherwise change the Client Fee Level at its discretion. In the event that Covestor chooses to change the Client Fee Level then you will be informed and the new fee level will be visible on your model page on Covestor.com. In the event that you are unhappy at the new level you may inform Covestor within 30 days and the Client Fee Level will return to the level immediately prior to that change.
- e. Derivative models. Where a derivative model is created by co-mingling your Data in whole or part with other contributing parties Data, and your Data is not uniquely identified to you in a model; then for every subscription to the derivative model, i) Covestor shall have the right to set the Client Fee Level at its sole discretion and ii) Covestor shall pay you Fees based on a pro-rata portion of the Client Fees Covestor collects. The pro-rata portion payable to you shall be calculated as the Participation Level times the Client Fees divided by the total number of contributors of Data to the derivative model.

### **2. Payment terms**

- a. The Fees will be calculated on a daily basis
- b. Payment will be made quarterly in arrears by the 30<sup>th</sup> day following the end of the quarter
- c. Payment will be by check in US\$ sent to the current address that Covestor has for you on file
- d. At the time of payment, Covestor will provide you with a daily balance of assets following you. The document will not contain account names or account numbers
- e. Amounts due to you of less than \$100 may be rolled over and accumulated until over \$100

### **3. Discounted or free subscriptions**

- a. Trial Subscription. Where the Data is provided to third parties on a limited trial basis with no remuneration to Covestor, Covestor shall not pay you any fees