

TRADEUP SECURITIES, INC. FULLY PAID SECURITIES LENDING PROGRAM DISCLOSURE

Important Characteristics and Risks of Participating in TradeUP Securities, Inc. Fully Paid Securities Lending Program

Please read these important disclosures carefully before agreeing to lend to TradeUP Securities, Inc. ("TradeUP Securities") any of your fully paid securities or excess margin securities (the "Loaned Securities") from your account carried at TradeUP Securities. These disclosures should be read in conjunction with the Master Securities Lending Agreement for TradeUP Securities, Inc. Fully Paid Lending Program (as amended, modified, or supplemented from time to time, the "Agreement") between you, TradeUP Securities, and the Collateral Administrator (as defined below) that governs any loans of Loaned Securities to TradeUP Securities, and the Collateral Administrator Protocols appended thereto. These disclosures describe important characteristics of, and risks associated with engaging in, securities lending transactions.

Introduction to the Stock Yield Enhancement Program

TradeUP Securities offers eligible customers the ability to lend certain of their fully paid and excess margin securities to TradeUP Securities for on-lending to other TradeUP Securities customers or to other market participants who wish to use these shares for short selling, making required deliveries, or other permitted purposes. "Fully paid securities" are securities in your account that have been completely paid for. "Excess margin securities" are any securities in your account that, in aggregate, have a market value that exceeds 140% of your account's debit balance(s). **If you do not want your fully paid securities used to facilitate short sales, you should NOT participate in TradeUP Securities' Fully Paid Securities Lending Program.**

In the TradeUP Securities Stock Yield Enhancement Program ("SYEP"), you permit TradeUP Securities to borrow any fully paid securities in your account and loan these securities out in the securities lending market. By participating in the SYEP, you are granting to TradeUP Securities the discretion to borrow your fully paid securities without contacting you or obtaining your prior approval of any given loan or of the amount of compensation you will be paid for lending your fully paid securities. You will not have direct control over when to initiate loans of specific shares or when TradeUP Securities may choose to terminate any loan. When the lending transaction takes place, the loaned fully paid securities will be debited from your account, but will still be reflected on your account statements as securities on loan to TradeUP Securities. TradeUP Securities will pledge collateral for your benefit to secure TradeUP Securities' obligation to return the Loaned Securities upon termination of the loan. TradeUP Securities may terminate your loan at any time in its sole discretion. When the loan is terminated, shares will be returned to your account.

By participating in the SYEP, you may not lend your fully paid securities directly to the ultimate borrower. TradeUP Securities will be the borrower in respect of each loan and will be responsible as principal for returning your Loaned Securities to you upon termination of the loan, fully collateralizing your Loaned Securities during the term of the loan, and paying you compensation monthly in respect of the Loaned Securities.

As described further below, you will still be able to sell any securities in your account (including any Loaned Securities) or terminate your participation in the SYEP at any time.

Disclosures

1. **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (“SIPA”) MAY NOT PROTECT YOU WITH RESPECT TO LOANED SECURITIES ONCE SUCH SECURITIES ARE REMOVED FROM YOUR ACCOUNT AND, THEREFORE, THE COLLATERAL DELIVERED TO THE COLLATERAL ACCOUNT FOR YOUR BENEFIT AND INDICATED ON YOUR ACCOUNT STATEMENT MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF TRADEUP SECURITIES’ OBLIGATIONS IN THE EVENT TRADEUP SECURITIES FAILS TO RETURN THE LOANED SECURITIES OR BECOMES INSOLVENT.**
2. Loss of Voting Rights With Respect to Loaned Securities: While a securities loan is outstanding, and until Loaned Securities are credited back to your account upon termination of a loan, you will lose your right to vote the Loaned Securities or to provide any consent or to take any similar action with respect to, Loaned Securities in the event that the record date or deadline for such vote, consent, or other action falls during the term of any loan. However, you retain a contractual right to the return of the Loaned Securities and, accordingly, continue to have the market exposure inherent in the ownership of the Loaned Securities (i.e., if the share price increases while you own the shares but are lending them out, the value of the securities you are entitled to receive back upon termination of the loan will increase; if the share price decreases, the value of the securities you are entitled to receive back upon termination of the loan will decrease).
3. Loaned Securities/Short Sales: When you lend your fully paid securities, it is likely that such securities will be used to facilitate one or more short sales or satisfy delivery requirements resulting from short sales. Since you are holding the shares “long” in your account, use of the Loaned Securities to facilitate short selling could put downward pressure on the price of the Loaned Securities, which potentially could affect the value of your holdings. You are under no obligation to enter into a securities loan with TradeUP Securities and may elect not to allow your Loaned Securities to be used in connection with short sales or any other permitted purpose by notifying TradeUP Securities that you are un-enrolling your account from the SYEP, subject only to the recall of any outstanding Loaned Securities and the fulfillment of any remaining obligations.
4. Your Right to Recall and Sell the Loaned Securities: Even though the Loaned Securities are out on loan, you have the right to:
 - a. Recall, terminate or liquidate a loan at any time for any reason by recalling the Loaned Securities in accordance with the terms of the Agreement. However, if the recalled security remains in your account with TradeUP Securities and your account remains enrolled in the SYEP, the security may be promptly re-borrowed by TradeUP Securities. If you would like to terminate a loan and prevent the securities from being re-borrowed by TradeUP Securities, you can terminate your participation in the program (which will terminate all of your loans).
 - b. Sell some or all of the Loaned Securities at any time, including without limitation, prior to recalling the Loaned Securities and/or prior to the return of the Loaned Securities to your account. Your sale of the securities will constitute a termination of the loan effective on the settlement date of the sale. You do not have to take any other action to terminate the loan or wait for the shares to be returned prior to selling them. Even if the shares are not returned in time to settle your sale of the shares, TradeUP Securities 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.

If your Loaned Securities (or securities equivalent to your Loaned Securities) are not

returned within one standard settlement cycle after you have terminated a loan (other than by sale of the Loaned Securities), TradeUP will be in default, at which point your right under the Agreement to direct the Collateral Administrator to foreclose on the collateral and deliver it to you so that you can buy replacement securities will accrue, subject to the five (5) business day delay period described below.

5. TradeUP Securities Compensation with respect to Loaned Securities: TradeUP Securities and its associated persons will receive compensation in connection with the use of your Loaned Securities, including in connection with lending your Loaned Securities to other parties for use in connection with settling short sales, or for facilitating settlement of short sales by TradeUP Securities, its affiliates and/or its customers.

The key factor in determining the amount of compensation TradeUP Securities and its associated persons will receive from using your Loaned Securities is the availability of the securities for lending in the marketplace relative to the demand to borrow such securities. TradeUP Securities has an opportunity to earn more compensation when the securities become limited in supply relative to demand (i.e., become “hard to borrow” securities). Other key factors include then-current interest rates, which impact what TradeUP Securities may earn from re-investing cash collateral received from counterparties to which it lends securities, as well as any commissions, interest and other fees TradeUP Securities may earn from customers that borrow securities from TradeUP Securities to sell short through TradeUP Securities or in accounts carried by TradeUP Securities.

6. Your Compensation with respect to Loaned Securities: The compensation payable to you in respect of any particular loan as of a given date will be detailed on your monthly account statement. The compensation TradeUP Securities pays you will be based on a percentage of the net income received by TradeUP Securities for lending your fully paid securities. The net income may be less than the gross income received by TradeUP Securities for relending your fully paid securities because of certain deductions and charges. TradeUP Securities may make certain assumptions in computing the net amounts. Factors that may influence such compensation include:
 - a. Supply and Demand. The key factor in determining the amount of compensation to be paid to you in connection with your securities lending transactions is the availability of the securities for lending in the marketplace relative to the demand to borrow such securities. You generally have an opportunity to earn more compensation when the Loaned Securities become limited in supply relative to demand (i.e., become “hard to borrow” securities).
 - b. Interest Rate Flexibility. The compensation you earn (e.g., interest rate) may change over the course of your securities loan. Such compensation may be based either (i) in part on an interest rate index (such as the Fed Funds open rate) which may vary over time, in which case your compensation may change without prior notice, or (ii) on a fixed rate. TradeUP Securities may change such rate at its sole discretion without notice to you.
 - c. Perceived Stability. TradeUP Securities may place a higher value on securities loans that it believes will be less likely to be recalled prior to the completion of the investment strategy being utilized by it or its underlying clients.
 - d. Size of Securities Loan. You may be paid more compensation if the securities loans are with respect to a desired quantity of Loaned Securities.
 - e. Supply Concentration. You may be paid more compensation if TradeUP Securities is seeking to reduce its potential exposure to recall risk by diversifying the sources of its securities lending supply.

You may not receive any portion of any other compensation TradeUP Securities may earn in connection with the re-lending of your securities, including, without limitation, any interest TradeUP Securities may earn on collateral pledged for your benefit, any interest TradeUP Securities may earn on collateral provided to it by counterparties to which it re-lends the loaned securities, any fees TradeUP Securities may earn from counterparties to which it re-lends the loaned securities, or any commissions TradeUP Securities may receive in connection with any executions of transactions for the account of parties that borrow securities from TradeUP Securities.

The securities lending market is not a standardized or transparent market. Securities lending transactions generally take place "over the counter" rather than on organized exchanges where prices and transactions are transparent. TradeUP Securities cannot and does not guarantee that it will pay the highest rate for borrowing your fully paid securities. TradeUP Securities may not have access to the markets or counterparties that are offering the most favorable rates, or may be unaware of the most favorable rates. TradeUP Securities, or its affiliates through which it may conduct certain securities-lending activities, will typically receive a higher rate from its securities-lending counterparties than it pays to you for the loan of your securities, thus earning a spread. If you are unhappy with the compensation rates you are receiving or the nature or frequency of rate changes, you may terminate your participation in the SYEP at any time; however, if you elect to do so, you may not be permitted to re-join the program, or you may be required to wait 30 days before you are permitted to re-join.

7. Collateral for Loaned Securities: Pursuant to the Agreement, in exchange for the Loaned Securities, TradeUP Securities will pledge collateral for your benefit to an account maintained by a third party custodian bank ("Collateral Account"). The Collateral Account will also contain collateral pledged for securities loans made between TradeUP Securities and other lenders of securities to TradeUP Securities, and the collateral in such account is allocated to you in accordance with the calculations set forth in the Agreement, as described below. The collateral will be either cash or a form of non-cash collateral permissible under Rule 15c3-3(b)(3)(iii)(B) under the Securities Exchange Act of 1934 and related SEC guidance. You will not receive separate notices from the third party custodian bank with respect to deposits to and withdrawals from the Collateral Account; instead, your TradeUP Securities account statement will reflect the current collateral custodied in the Collateral Account as of the statement date and will reflect all transfers of collateral to and from the Collateral Account for your benefit during the statement period.

Pursuant to the Agreement, you are agreeing to appoint and empower a collateral administrator ("Collateral Administrator") to enter into a Collateral Account control agreement ("Control Agreement") with TradeUP Securities and the third party custodian bank and to otherwise act on your behalf with respect to the collateral as set forth in the Agreement and Collateral Administrator Protocols. The Collateral Administrator will carry out the responsibilities described in the Agreement and the Collateral Administrator Protocols, including, but not limited to, directing the distribution of collateral to you in the event of a TradeUP Securities default. As security for its obligations to you under the Agreement, TradeUP Securities will grant to the Collateral Administrator for your benefit a continuing first priority security interest in, and a lien upon, the collateral, which will attach upon the transfer of the Loaned Securities to TradeUP Securities and which will cease upon the transfer of the Loaned Securities back to your account at the termination of the loan.

Pursuant to the Agreement and applicable regulations, TradeUP Securities will mark the

Loaned Securities to market at the close of trading on each business day and, if necessary, will transfer (i.e., add or deduct) collateral no later than the close of business on the next business day so that the market value of the collateral held in the Collateral Account for your benefit is at least equal to 102% of the market value of the Loaned Securities. If TradeUP Securities defaults and the market value of the Loaned Securities increases in value on the day TradeUP Securities defaults, the collateral provided by TradeUP Securities may be insufficient to fully collateralize the Loaned Securities. If TradeUP Securities collateralizes the Loaned Securities with securities collateral, the securities collateral will be subject to market risk, and therefore may not be sufficient to replace the full value of Loaned Securities should TradeUP Securities default.

IN CONNECTION WITH LOANS OF "GOVERNMENT SECURITIES," AS DEFINED IN THE AGREEMENT, AND AS OTHERWISE PERMITTED BY APPLICABLE LAW, SOME SECURITIES PROVIDED BY TRADEUP SECURITIES AS COLLATERAL UNDER THIS AGREEMENT MAY NOT BE GUARANTEED BY THE UNITED STATES (MAY NOT BE LIMITED TO U.S. TREASURY SECURITIES).

8. Permitted Purpose to Borrow Loaned Securities: TradeUP Securities may borrow the Loaned Securities for any purpose permitted under Regulation T, including to satisfy delivery requirements resulting from short sales, to cover a short sale or fail to deliver, to satisfy customer possession and control requirements, or to further on-lend the Loaned Securities to other broker-dealers.
9. "Hard to Borrow" Determination: The type of securities that are generally attractive to borrowers in the securities lending market, and which generate the highest income potential, are "hard to borrow" securities. Loaned Securities may be, or may become, "hard to borrow" because of short selling or scarcity of available lending supply or corporate events that may impact liquidity in a security.
10. Potential Tax Implications with respect to Loaned Securities: During the term of any securities loan, you are entitled to receive the amount of all dividends and distributions made on or in respect of your Loaned Securities, such as cash or securities dividends, securities received as a result of splits, spin-offs or similar distributions, and rights to purchase additional securities. In the event that the holder of a security borrowed from you is entitled to elect the type of distribution to be received from two or more alternatives, you shall be entitled to make such election by timely notification to TradeUP Securities. However, you will receive "substitute" or "manufactured" payments (e.g., receive cash substitute payments) in lieu of receiving dividends or distributions directly from the issuer. Certain unique distributions may not be capable of being exactly replicated as a manufactured payment by TradeUP Securities.
 - a. If you are a U.S. taxpayer, cash payments in lieu of dividends will not be afforded the same treatment as qualified dividends for tax purposes and are likely to be taxed at a higher tax rate instead of the preferential qualified dividend rate.
 - b. TradeUP Securities may be required to withhold tax on payments in lieu of dividends and loan fees to you, unless an exception applies.
 - c. If you permit TradeUP Securities to borrow fully paid securities from you through the SYEP and you are a U.S. taxpayer, TradeUP Securities may recall loaned shares from the borrower prior to a dividend, so as to reduce potential negative tax consequences to you. However, it is solely within TradeUP Securities' discretion to recall a loan and TradeUP Securities makes no guarantee it will recall a loan prior to a dividend.
 - d. TradeUP Securities intends to treat the loan compensation paid to you as interest payments, but different tax authorities may treat such payments differently.

- e. You should consult a tax advisor regarding the tax implications of entering into a securities loan with TradeUP Securities, including but not limited to: treatment of cash-in-lieu payments under U.S. state tax laws and the Internal Revenue Code, as well as any foreign tax regulations, as applicable; under what circumstances a securities loan could be treated as a taxable disposition of the Loaned Securities; and treatment of interest received on cash collateral.

11. Your Rights Upon TradeUP Securities's Default:

- a. If TradeUP Securities is in default due to an Act of Insolvency, as defined in the Agreement:
 - i. The Collateral Administrator will foreclose on the collateral on your behalf and direct the distribution of an appropriate amount of collateral to you, subject to the lifting, expiration or termination of any stays mandated by applicable law and any other applicable conditions or limitations imposed by the agreements governing the TradeUP Securities, Inc. Fully Paid Securities Lending Program.
 - ii. You will have the right to:
 - 1. in the event that the collateral becomes subject to a stay, elect to submit to the trustee, receiver or court, an affidavit and/or other documentation as may seem appropriate in the particular circumstances attesting (among other things) that you have no knowledge of any fraud involved in the Agreement or any of the loans thereunder and that, by the terms of the Agreement, you have either acquired the rights of an owner of the collateral or a perfected security interest therein (a "No Fraud Affidavit") to request that the trustee, receiver or court consent to a close-out of the loans under the Agreement and lift of the stay. You have sole discretion over whether and when to submit such a No Fraud Affidavit; neither TradeUP Securities nor Collateral Administrator will be under any obligation to submit a No Fraud Affidavit on your behalf and will not be liable for any inaccuracies, incompleteness or defects in your No Fraud Affidavit or any other documentation you elect to submit; and
 - 2. in the event that the collateral securing your loans is insufficient to fulfill all of TradeUP Securities' obligations under the Agreement, bring a claim as a general unsecured creditor against TradeUP Securities to recover any remaining amounts owed to you under the Agreement (e.g., cash distributions owed to you that were not paid prior to TradeUP Securities' default under the Agreement). As security for TradeUP Securities' obligation to pay such deficit, you will also have a security interest in any property of TradeUP Securities held by you or for you.
- b. If TradeUP Securities is in default, but not due to an Act of Insolvency:
 - i. You will have the right to:
 - 1. purchase (or make a deemed purchase of) a like amount of replacement securities;
 - 2. direct the Collateral Administrator to deliver the collateral (or the proceeds thereof) to you; and
 - 3. apply and set off the collateral (or proceeds thereof) against (A) the purchase price or deemed purchase price for the

replacement securities, and (B) any other amounts due to you under the Agreement.

- ii. In order to exercise these rights, you must contact and direct the Collateral Administrator to deliver the collateral (or the proceeds thereof) to you, subject to any conditions or limitations imposed pursuant to the Agreement.
- iii. The Collateral Administrator will then notify TradeUP Securities and may wait five (5) business days before acting upon the instructions you provide.
- iv. Upon the passage of such five (5) business day period, if you and TradeUP Securities determined that an event of default occurred, and if the default has not been resolved to your mutual satisfaction, the Collateral Administrator will distribute the collateral (or the proceeds thereof) to you.

12. TradeUP Securities Rights Upon Your Default: TradeUP Securities shall have the right to liquidate the securities loan if an event of default, as defined in the Agreement, occurs with respect to you. An event of default includes, but is not limited to, if you:

- a. apply for or consent to, or become the subject of an application for, the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of your property;
- b. admit in writing your inability, or become generally unable, to pay your debts as such debts become due;
- c. make a general assignment for the benefit of your creditors; or
- d. 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 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.

13. Corporate Actions: Non-cash distributions that you are entitled to receive in connection with ownership of fully paid securities will be added to the Loaned Securities on the date of distribution and will be transferred to you at termination of the loan. If the issuer of any Loaned Security engages in a recapitalization, merger, consolidation or other corporate action, such that a new or different security is exchanged for the Loaned Security, such new or different security shall, effective upon such exchange, be deemed to become a Loaned Security in substitution for the former Loaned Security.

Conflicts; Non-Exclusive Arrangement; TradeUP Securities Discretion to Borrow;

Payments to Third Parties: TradeUP Securities is not required to borrow your fully paid securities and may, in its sole discretion, borrow from other parties securities equivalent to the securities you make available to loan. TradeUP Securities's choices both on the securities it borrows and how it chooses to use those securities impact compensation payable by TradeUP Securities to you. If you participate in the SYEP and maintain a debit balance in your account, TradeUP Securities may rehypothecate your securities in accordance with your margin account agreement with TradeUP Securities without paying you compensation, rather than borrow your securities pursuant to the Agreement. Similarly, if TradeUP Securities borrows securities from you pursuant to the Agreement and you thereafter incur a margin debit balance, TradeUP Securities may terminate the Loan and then rehypothecate the securities that had previously been the subject of a loan without paying you compensation.