

## Fully Paid Lending Program Application & Agreement

By completing and executing this Fully Paid Lending Program Application & Agreement, together with the Risk Disclosures Statement for the Fully Paid Lending Program and the Master Securities Lending Agreement (the "Agreement"), your account will be enrolled in Hilltop Securities Inc.'s ("HTS") Fully Paid Lending Program. Enrolling in this Program permits HTS to borrow securities in your account in return for a fee paid to you as income. By entering into this Agreement, you are authorizing HTS to borrow securities at any time. Please carefully review the terms and conditions set forth in the Agreement and the contents of the Risk Disclosures Statement for the Fully Paid Lending Program prior to enrolling.

By signing below, I acknowledge that I have read the Agreement and I understand and agree to be bound by the terms therein.

### 1. Customer Information

Name of Primary Applicant (*First, Middle, Last*) or Business/ Trust/ Entity Name Social Security #/ Tax ID # Date of Birth (*Month/Day/Year*)

Name of Co-Applicant/ Minor (*First, Middle, Last*) (*If applicable*) Social Security #/ Tax ID # Date of Birth (*Month/Day/Year*)

Physical/ Home Address (*P.O. Box is not acceptable*) City State/ Province Country Zip

Mailing Address (*P.O. Box is acceptable if physical address provided above*) City State/ Province Country Zip

Home Phone Number Cell Phone Number Fax Number Email Address

### 2. Customer Profile

**Marital Status:** ☐ Single ☐ Married ☐ Divorced ☐ Widowed **Number of Dependents:** \_\_\_\_\_

**Primary Applicant's Employment Information** (*Please specify if self-employed, unemployed, retired, homemaker, student or other*):

Employer (*If self-employed or retired, specify type of business.*) Occupation/Job Title Business Telephone

Employer's Address City State/Province Country Zip Code

**Co-Applicant's Employment Information** (*Please specify if self-employed, unemployed, retired, homemaker, student or other*):

Employer (*If self-employed or retired, specify type of business.*) Occupation/Job Title Business Telephone

Employer's Address City State/Province Country Zip Code

**3. Customer Financial Information** (Combine Information for Joint Accounts)**Financial Information**

The more we know about you and your goals for this account, the better we can serve you. Please answer the following questions about your investment experience and financial situation to help us determine which investment products and strategies are suitable for you.

Investment Experience (Include Years of Experience)	Annual Income <sup>1</sup> (From all Sources)	Net Worth <sup>2</sup> (Exclusive of Residence)	Liquid Net Worth <sup>3</sup> (Cash, Securities, etc.)	Federal Tax Rate
<input type="checkbox"/> Stocks _____	<input type="checkbox"/> Under \$25,000	<input type="checkbox"/> Under \$50,000	<input type="checkbox"/> If under \$50,000, please specify _____	<input type="checkbox"/> 10%
<input type="checkbox"/> Bonds _____	<input type="checkbox"/> \$25,000-\$49,999	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> 12%
<input type="checkbox"/> Options _____	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> \$100,000-\$249,999	<input type="checkbox"/> \$100,000-\$249,999	<input type="checkbox"/> 22%
<input type="checkbox"/> Commodities _____	<input type="checkbox"/> \$100,000-\$249,999	<input type="checkbox"/> \$250,000-\$499,999	<input type="checkbox"/> \$250,000-\$499,999	<input type="checkbox"/> 24%
<input type="checkbox"/> Futures _____	<input type="checkbox"/> \$250,000-\$499,999	<input type="checkbox"/> \$500,000-\$999,999	<input type="checkbox"/> \$500,000-\$999,999	<input type="checkbox"/> 32%
<input type="checkbox"/> Mutual Funds _____	<input type="checkbox"/> \$500,000-\$999,999	<input type="checkbox"/> \$1,000,000-\$2,999,999	<input type="checkbox"/> \$1,000,000-\$3,000,000	<input type="checkbox"/> 35%
<input type="checkbox"/> Other (List) _____	<input type="checkbox"/> \$1,000,000-3,000,000	<input type="checkbox"/> \$3,000,000-50,000,000	<input type="checkbox"/> Over \$3,000,000	<input type="checkbox"/> 37%
	<input type="checkbox"/> Over \$3,000,000	<input type="checkbox"/> Over \$50,000,000		

**4. Customer Investment Objectives and Risk Tolerance**

Select the categories that best describe your investment objectives (*and if joint that of any co-applicants*) and the risk that you are willing to assume in this account. Different investment products and strategies involve different degrees of risk. The greater the expected returns of a product or strategy, the greater the risk that you could lose some or all of your investment. Investments should be chosen based on your objectives, timeframe, and tolerance for market fluctuations.

**Investment Descriptions**

- *Capital Preservation: The object of capital preservation is to protect your initial investment by choosing investments that minimize the potential loss of principal. The long-term risk of this strategy is that returns may not offset inflations.*
- *Income: The primary objective of the income strategy is to provide current income rather than long-term growth of principal.*
- *Growth: The objective of the growth strategy is to increase the value of your investment over time while recognizing a high likelihood of volatility.*
- *Speculation: A speculative objective assumes a higher risk of loss in anticipation of potential higher-than-average gains by taking advantage of expected price changes. You recognize and are able to bear the full risk of the loss of some or all principal in such investments.*

**Risk Tolerance Descriptions**

- *Low (Conservative): I want to preserve my initial principal in this amount, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.*
- *Moderate: I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns and understand I could lose a portion of the money invested.*
- *High (Aggressive): I am willing to accept high risk to my initial principal, including high volatility, to seek higher returns over time, and understand I could lose all or a substantial amount of the money invested.*

Select One Primary Investment Objective with Your Associated Risk Tolerance (Check one box only)				Select One Secondary Investment Objective with Your Associated Risk Tolerance (Check one box only)			
Capital Preservation	<input type="checkbox"/> Low	You may not choose a secondary investment objective if you select Capital Preservation.					
Income	<input type="checkbox"/> Low	<input type="checkbox"/> Moderate	<input type="checkbox"/> High	Income	<input type="checkbox"/> Low	<input type="checkbox"/> Moderate	<input type="checkbox"/> High
Growth		<input type="checkbox"/> Moderate	<input type="checkbox"/> High	Growth		<input type="checkbox"/> Moderate	<input type="checkbox"/> High
Speculation			<input type="checkbox"/> High	Speculation			<input type="checkbox"/> High

## 5. Additional Customer Information (Combine Information for Joint Accounts)

Annual Expenses <sup>4</sup> (Recurring)	Special Expenses <sup>5</sup> (Future/ Non-Recurring)	Description of Terms
<input type="checkbox"/> \$50,000 and under <input type="checkbox"/> \$50,001-100,000 <input type="checkbox"/> \$100,001-250,000 <input type="checkbox"/> \$250,001-500,000 <input type="checkbox"/> Over \$500,000	<input type="checkbox"/> \$50,000 and under <input type="checkbox"/> \$50,001-100,000 <input type="checkbox"/> \$100,001-250,000 <input type="checkbox"/> Over \$250,000	<p><sup>1</sup><b>Annual Income</b> includes income from sources such as employment, alimony, social security, investment income, etc.</p> <p><sup>2</sup><b>Net worth</b> is the value of your assets minus your liabilities. For purposes of this application, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Do not include your primary residence among your assets. For liabilities, include any outstanding loans, credit card balances, taxes, etc. Do not include your mortgage.</p> <p><sup>3</sup><b>Liquid net worth</b> is your net worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.</p> <p><sup>4</sup><b>Annual expenses</b> might include mortgage payments, rent, long-term debts, utilities, alimony or child support payments, etc.</p> <p><sup>5</sup><b>Special expenses</b> might include a home purchase, remodeling a home, a car purchase, education, medical expenses, etc.</p>
<b>The investments in this account will be:</b> (Check one)	<b>Timeframe for Special Expenses</b>	
<input type="checkbox"/> Less than 1/3 of my financial portfolio <input type="checkbox"/> Roughly 1/3 to 2/3 of my financial portfolio <input type="checkbox"/> More than 2/3 of my financial portfolio	<b>Special Expense:</b> _____ <input type="checkbox"/> Within 2 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 11 years or more	

**Investment Time Horizon** – When is the earliest that you expect to need funds from this account?

☐ Under 3 years   ☐ 3-5 years   ☐ 6-10 years   ☐ 11-20 years   ☐ Over 20 years   ☐ Unknown

## 6. Fully Paid Lending Program Eligibility

☐ I acknowledge that to enroll in HTS' Fully Paid Lending Program, an initial minimum account value of \$250,000 is required. Should the value of this account decrease to a value equal to or less than \$100,000 during my participation in the program, HTS will unenroll the account from the Fully Paid Lending Program.

7. Customer Signatures

X \_\_\_\_\_  
Primary Applicant's Signature Date

X \_\_\_\_\_  
Co-Applicant's Signature Date

X \_\_\_\_\_  
Primary Applicant's Printed Name Date

X \_\_\_\_\_  
Co-Applicant's Printed Name Date

FOR BROKERAGE USE ONLY	
<div>X _____ Financial Professional's Signature Date</div> <div>_____ Financial Professional's Printed Name</div> <div>Office#: _____ Financial Professional#: _____ Account#: _____</div>	<div>Customer Information Brochure Delivered: _____ / _____ / _____</div> <div>Privacy Policy Delivered: _____ / _____ / _____</div> <div>Form CRS Delivered: _____ / _____ / _____</div> <div>Form CRS Delivery Method: _____</div> <div>Copies of all Written Agreements Delivered: _____ / _____ / _____</div> <div>X _____ Principal's Signature Date</div> <div>_____ Principal's Printed Name</div>

## Automated Clearing House ("ACH") Form

ACH Authorization is included as part of your enrollment in the HTS Fully Paid Lending Program in the event the Collateral Agent associated with the program is required to remit collateral to you in the place of your Loaned Securities as outlined in Section 14 of the Master Securities Lending Agreement.

This form may also be used to establish on-demand fund transfers between your HTS account and bank accounts and to set up recurring monthly transfers either to or from your HTS account. Please allow 2 weeks for this feature to be set up for your account. After the ACH is set up, funds can be transferred within 1 business day. **Note:** Your bank account must be cleared through a financial institution in the United States and the check must be payable in U.S. dollars.

### 1. ACH Instructions (Check ONE):

- ☐ The account being enrolled in the Fully Paid Lending Program has existing ACH Instructions on file with HTS  
☐ Establish a New ACH Request

#### **Bank Account Information** (Refer to your bank statement for the following information.)

Name as it appears on your Bank Account: \_\_\_\_\_

Bank Name: \_\_\_\_\_ Bank Account Type (*Check ONE*): ☐ Checking **OR** ☐ Savings

Bank Routing Number: \_\_\_\_\_ Bank Account Number: \_\_\_\_\_

### **Please Read and Sign.**

I/we authorize HTS to transfer funds between my/our securities account and my/our bank account via automated funds transfer. In the event an entry is incorrect, HTS reserves the right to submit correcting entries. Attached is a voided check so that you have my/our necessary bank routing information. I/we understand that it takes approximately 14 days from receipt of this form for this feature to be activated. This authorization remains in full force and effect until HTS receives written notification of its termination or alteration. I/we acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

☒ Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_ ☒ Co-Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

### 2. Attach VOIDED check



## Momentum Client Access Setup Form

### MOMentum Client Access Setup

Access to information regarding any Loaned Securities through HTS' Fully Paid Lending Program can be found by accessing my account via MOMentum Client or MOMentum Mobile. For new online access requests, a link will be sent to the email address provided in order for me to complete enrollment. To add the account being enrolled in the HTS Fully Paid Lending Program to an existing MOMentum Client Logon ID, access will be added to the Logon ID supplied below. I am including the associated email address for verification purposes. An electronic version of the MOMentum Client Terms of Use and Usage Agreement, and the eDelivery Agreement is available as part of the Momentum Client registration and eDelivery enrollment process.

**Request type: (CHECK ONE)**

☐ Add New MOMentum Client Access for this Account

**User's Name:** \_\_\_\_\_ **Email:** \_\_\_\_\_

☐ Add this Account to my Existing MOMentum Client User ID: \_\_\_\_\_

☐ I already have access to view this Account in MOMentum Client

## Risk Disclosures Statement for the Fully Paid Lending Program

Please read these important disclosures carefully before agreeing to lend to Hilltop Securities, Inc. ("HTS") any of your fully paid securities or excess margin securities (the "Loaned Securities") from your account carried at HTS. These disclosures are intended to be read in conjunction with the Master Securities Lending Agreement (as amended, modified, or supplemented from time to time, the "Agreement") that governs any loans of Loaned Securities to HTS. These disclosures describe important characteristics of, and risks associated with, engaging in securities lending transactions.

**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 CASH COLLATERAL DELIVERED TO THE DEPOSIT ACCOUNT AT THE BANK (EACH AS DEFINED BELOW) FOR YOUR BENEFIT MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF HTS' OBLIGATIONS IN THE EVENT HTS FAILS TO RETURN THE LOANED SECURITIES.**

**2. Consent to Borrow.** By entering into the Agreement, you give HTS permission to borrow securities carried by HTS for your account without contacting you and without obtaining your prior approval of any given loan or the loan fee payable in respect of such Loaned Securities.

**3. Appointment of Collateral Agent.** By entering into the Agreement, you agree to the appointment of a collateral agent ("Collateral Agent") to administer your rights and obligations relating to the collateral pledged by HTS as security for its obligations to you under the Agreement.

**4. Electronic Delivery of Confirmations and Statements.** When HTS borrows your Loaned Securities, HTS will notify you of this action by email and also direct you to view pertinent information related to the Loaned Securities by logging on to the HTS customer website and mobile application. The HTS customer website and mobile application will display a schedule of daily activity that includes the name and symbol of the Loaned Securities, quantity of shares borrowed, and the daily loan rate. This detailed activity related to your Loaned Securities will post to your account each day; beginning the day the loans originate through the day the Loaned Securities are returned to you and the loans terminate. HTS will also provide a monthly account statement that indicates any Loaned Securities, the Loaned Securities' current market value as of the statement date, and the collateral securing HTS' obligations to you under the Agreement.

**5. 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. However, you retain a contractual right to the return of the Loaned Securities and, accordingly, continue to have market exposure with respect to the Loaned Securities.

**6. Loaned Securities/Short Sales.** Use of the Loaned Securities to facilitate short selling could put downward pressure on the price of the Loaned Securities. You are under no obligation to enter into a

securities loan with HTS and may elect not to allow your Loaned Securities to be used in connection with short sales or any other permitted purpose by opting out of the program (i.e., terminating the Agreement in accordance with its terms, subject only to the recall of any outstanding Loaned Securities and the fulfillment of any remaining obligations) by electronic request to [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com).

**7. Your Right to Terminate and Sell the Loaned Securities.** You have the right to:

- a. terminate or liquidate a loan at any time for any reason by opting out of the program in accordance with the terms of the Agreement; and
- 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.

**8. HTS' Compensation With Respect to Loaned Securities.** HTS (and its associated persons, where applicable) 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 HTS or its customers or to on-lend to other counterparties. The key factor in determining the amount of compensation HTS 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. HTS has an opportunity to earn more compensation when the securities become limited in supply relative to demand (i.e., become "hard to borrow" securities). If your account was introduced to HTS by an introducing broker-dealer, the introducing broker-dealer may also receive compensation in connection with the Loaned Securities.

**9. Your Compensation With Respect to Loaned Securities.** You will be paid a portion of the stock loan fee received by HTS for relending your Loaned Securities. Information about the Loaned Securities will be available on monthly statements or by contacting the HTS Customer Support at 888-658-9165 or [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com). The portion payable to you may be changed by HTS at any time without prior notice to you; information on the current compensation rate is available electronically on HTS' online customer site or mobile application. You will not receive any portion of any other compensation HTS may earn in connection with the re-lending of your securities, including without limitation any interest HTS may earn on collateral transferred to the Deposit Account for your benefit, any interest or distributions on collateral HTS may receive from counterparties to which it re-lends the Loaned Securities, or any commissions HTS may receive in connection with any executions of transactions for the account of parties that borrow securities from HTS. Factors that may influence your 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 or ISDA Fallback Protocol) which may vary over time, in which case your compensation may change without prior notice, or (ii) on a fixed rate.



- c. Perceived Stability. HTS 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 HTS is seeking to reduce its potential exposure to recall risk by diversifying the sources of its securities lending supply.

10. **Collateral for Loaned Securities**. To secure HTS' obligations to you pursuant to the Agreement and to protect you in the event HTS defaults, in exchange for the Loaned Securities HTS will, by the end of day on the date the loan is made, deposit cash collateral with a market value at 102% of the market value of the Loaned Securities. The cash collateral will be deposited with a bank (the "Bank") in an account (the "Deposit Account") pursuant to a Deposit Control Account Agreement (as amended, modified, or supplemented from time to time, the "Control Agreement") between HTS, Collateral Agent, and the Bank. The Deposit Account will also contain collateral pledged by HTS for securities loans made between HTS and other lenders of securities participating in the HTS Fully Paid Lending Program, and the collateral in the Deposit Account is allocated to you in accordance with the calculations contained in the Agreement as reflected on a schedule which HTS will provide to Collateral Agent on a daily basis. Pursuant to the Agreement and applicable regulations, HTS 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 is 102% of the market value of the Loaned Securities. During the term of any loan, HTS is authorized to make deposits to and withdrawals from the Deposit Account in accordance with the Agreement without further consent by you. HTS may earn interest or fees from the Bank on, or based on, the collateral in the Deposit Account. No interest will be paid to you in respect of collateral in the Deposit Account. Your HTS account statement and HTS online customer site and mobile application will indicate the collateral pledged by HTS for your loans under the Agreement. You may obtain information about the collateral held for your benefit in the Deposit Account, including the Bank holding the collateral, by contacting HTS' Client Service Desk at 214-859-9165 or by contacting the Collateral Agent at 1-800-433-1918 or [RTIDOps@rnt.com](mailto:RTIDOps@rnt.com).

In the event of a default by HTS, you may provide a "Notice of Default" to the Collateral Agent in accordance with the terms of the Agreement and, if HTS does not timely cure such default, the Collateral Agent will direct the Bank to remit the collateral to you. If HTS defaults and the market value of the Loaned Securities increases in value on the day HTS defaults, the cash collateral provided by HTS may be insufficient to fully collateralize the Loaned Securities.

11. **Permitted Purpose to Borrow Loaned Securities**. HTS 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.

12. **“Hard to Borrow” Determination.** 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.

13. **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. You will receive 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 HTS. However, HTS will gross up substitute payments made to you for tax withholding in accordance with HTS’ policies.

- 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. HTS may be required to withhold tax on payments in lieu of dividends and loan fees to you, unless an exception applies.
- c. You should consult a tax advisor regarding the tax implications of entering into a securities loan with HTS, 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.

14. **HTS’ Rights Upon Your Default.** HTS 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.

15. **Corporate Actions.** 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

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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.

16. **Access to Collateral**. The availability of collateral and your ability to exercise your rights with respect to the collateral could be adversely affected by the Bank's insolvency or the Bank's failure to comply with the Control Agreement.

## Master Securities Lending Agreement

This Master Securities Lending Agreement ("Agreement") is entered into by and among Hilltop Securities Inc. as borrower ("HTS"), you, as a lender client or customer of HTS ("Lender") and Stable Custody Group II, LLC, acting as your collateral agent ("Collateral Agent").

THIS AGREEMENT SHOULD NOT BE AGREED TO AND SIGNED BY LENDER UNTIL AFTER LENDER HAS READ AND FULLY UNDERSTANDS THE SEPARATE DOCUMENT TITLED "RISK DISCLOSURES STATEMENT FOR THE FULLY PAID LENDING PROGRAM", WHICH DESCRIBES MANY OTHER RISKS AND CHARACTERISTICS OF THE PROGRAM.

LENDER MAY ELECT NOT TO ALLOW ITS FULLY PAID AND EXCESS MARGIN SECURITIES TO BE USED IN CONNECTION WITH SHORT SALES BY TERMINATING THIS AGREEMENT PURSUANT TO SECTION 25 BY CONTACTING THE HTS CUSTOMER SUPPORT AT (888) 658-9165 OR [SUPPORT@HILLTOPSECURITIES.COM](mailto:SUPPORT@HILLTOPSECURITIES.COM).

### 1. Applicability.

From time-to-time HTS and Lender may enter into transactions in which HTS will borrow from Lender certain Securities against a transfer of Collateral for Lender's benefit. Each such transaction shall be referred to herein as a "Loan" and shall be governed by this Agreement, including any supplemental terms or conditions contained in any appendices hereto. Capitalized terms not otherwise defined herein shall have the meanings provided in Section 26.

### 2. Loans of Securities.

**2.1** Subject to the terms and conditions of this Agreement, HTS may, from time-to-time, seek to initiate a transaction in which HTS will borrow Securities from Lender on terms determined by HTS in accordance with this Agreement, including the issuer of the Securities, the amount of Securities to be lent, the basis of compensation, the amount of Collateral to be transferred by HTS, and any additional terms. Such agreement shall be confirmed by a schedule and receipt listing the Loaned Securities provided by HTS to Lender in accordance with Section 3.1 (the "Confirmation"). Such Confirmation, together with the Agreement, shall constitute conclusive evidence of the terms agreed between HTS and Lender with respect to the Loan to which the Confirmation relates. In the event of any inconsistency between the terms of such Confirmation and this Agreement, this Agreement shall prevail.

**2.2** Notwithstanding any other provision in this Agreement regarding when a Loan commences a Loan hereunder shall not occur until the Loaned Securities and the Collateral therefor have been transferred in accordance with Section 16.

### **3. Transfer of Loaned Securities.**

**3.1** For each Loan, HTS shall provide Lender with a Confirmation on its customer website and mobile application and will notify Lender by email. The Confirmation will identify the Loaned Securities and the quantity borrowed.

**3.2** Notwithstanding any other provision in this Agreement, HTS and Lender agree that they intend the Loans hereunder to be loans of Securities. If, however, any Loan is deemed to be a loan of money by HTS to Lender, then HTS shall have, and Lender shall be deemed to have granted, a security interest in the Loaned Securities and the proceeds thereof.

### **4. Collateral.**

**4.1** HTS shall, prior to or concurrently with the transfer of the Loaned Securities to HTS, but in no case later than the Close of Business on the day of such transfer, transfer for Lender's benefit Collateral with a Market Value at 102% of the Market Value of the Loaned Securities to a bank (the "Bank") to be deposited in a deposit account (the "Deposit Account"). The Collateral transferred by HTS to the Deposit Account for Lender's benefit, as adjusted pursuant to Section 10, shall be security for HTS' obligations in respect of such Loan and for any other obligations of HTS to Lender hereunder. HTS hereby pledges with, assigns to, and grants Collateral Agent for the benefit of Lender a continuing first priority security interest in, and a lien upon, the Collateral for any Loan hereunder, which shall attach upon the transfer of the Loaned Securities by Lender to HTS and which shall cease upon the transfer of the Loaned Securities by HTS to Lender. In addition to the rights given to Collateral Agent for the benefit of Lender hereunder, Collateral Agent on behalf of Lender shall have all rights and remedies of a secured party under the UCC. Lender understands and agrees that the Deposit Account will also contain collateral pledged by HTS for securities loans made between HTS and other lenders of securities participating in the HTS Fully Paid Lending Program and that the Collateral in the Deposit Account is allocated to Lender in accordance with the calculations contained in Section 10 as reflected on a schedule (the "Collateral Schedule") which HTS will provide to Collateral Agent on a daily basis.

**4.2** Upon transfer to Lender of the Loaned Securities on the day a Loan is terminated pursuant to Section 7, HTS may effect the transfer of the Collateral for such Loan (as adjusted pursuant to Section 10) from the Deposit Account to HTS.

**4.3** If HTS transfers Collateral to the Deposit Account for Lender's benefit, as provided in Section 4.1, and Lender does not transfer the Loaned Securities to HTS, HTS shall have the absolute right to the return of the Collateral; and if Lender transfers Loaned Securities to HTS and HTS does not transfer Collateral to the Deposit Account for Lender's benefit as provided in Section 4.1, Lender shall have the absolute right to the return of the Loaned Securities.

## 5. Appointment of Collateral Agent.

**5.1** Lender hereby appoints Collateral Agent to act on behalf of and for the benefit of Lender with respect to the Collateral pledged by HTS pursuant to this Agreement and the Fully Paid Lending Program Collateral Agent Protocols ("Collateral Agent Protocols"), a copy of which is attached to this Agreement as Appendix 1. Collateral Agent hereby accepts such appointment on behalf and for the benefit of Lender. HTS agrees to pay Collateral Agent a fee for its services on behalf of Lender. The parties agree to the Collateral Agent Protocols, which are hereby incorporated into this Agreement by reference.

**5.2** Lender appoints and instructs Collateral Agent to appoint the Bank as the depository institution for the Collateral pursuant to the terms of the Deposit Control Account Agreement, dated as of February 24, 2023, among HTS, Collateral Agent and the Bank (as amended, supplemented or modified from time to time, the "Control Agreement"). By signing this Agreement, Lender instructs Collateral Agent to agree on behalf of itself and Lender to the terms and provisions of the Control Agreement.

**5.3** Pursuant to the Collateral Agent Protocols, Collateral Agent shall not be charged with knowledge of any Default unless Collateral Agent has actual knowledge of such Default; provided, that Collateral Agent shall be deemed to have actual knowledge of an Act of Insolvency with respect to HTS pursuant to Section 13.5 of this Agreement upon the public filing of any case, proceeding, petition or decree against HTS under Chapter 7 or Chapter 11 of the Bankruptcy Code, under the Securities Investor Protection Act of 1970 ("SIPA") or under the Orderly Liquidation Authority under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), as more fully described in the Collateral Agent Protocols.

**5.4** HTS reserves the right to require Collateral Agent to change the Bank by giving not less than ninety (90) days' prior notice to Collateral Agent. In such event, Lender instructs Collateral Agent to approve the successor to the Bank and to enter into one or more control agreements between and among HTS, Collateral Agent and the successor to the Bank to establish Collateral Agent's "control" (within the meaning of the UCC) over the applicable accounts in order to perfect Collateral Agent's security interest in the Collateral for the benefit of Lender.

## 6. Income for Loan.

**6.1** HTS agrees to pay Lender a loan fee (a "Loan Fee"), computed daily on each Loan, based on the aggregate Market Value of the Loaned Securities on the day for which such Loan Fee is being computed. The Loan Fee may be changed over the course of the Loan by HTS at its discretion without prior notice to Lender. Information regarding the Loan Fee (including any changes to the Loan Fee) can be obtained from HTS on its customer website and mobile application or by contacting the HTS Customer Support at 888-658-9165 or [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com).

**6.2** Income payable hereunder shall be payable within fifteen (15) Business Days following the last Business Day of the calendar month in which such Interest was incurred.

## **7. Termination of the Loan.**

**7.1** Lender may terminate a Loan on a termination date established by notice given to HTS prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be the earlier of (a) the standard settlement date that would apply to a purchase or sale of the Loaned Securities and (b) five (5) Business Days.

**7.2** HTS may terminate a Loan on any Business Day without notice to Lender, effective as of such Business Day, by transferring the Loaned Securities to Lender before the Cutoff Time on such Business Day.

**7.3** Any instruction by Lender to HTS to execute an order to sell the Loaned Securities shall constitute notice of termination by Lender to HTS. Unless terminated earlier by HTS, the termination date established by such a sale of the Loaned Securities shall be the settlement date of such sale of the Loaned Securities.

**7.4** HTS shall, on or before the Cutoff Time on the termination date of a Loan, transfer the Loaned Securities to Lender. Upon the termination of the Loan and return of the Loaned Securities to Lender's account, HTS may transfer the Collateral held in the Deposit Account for such Loan (as adjusted pursuant to Section 10) to HTS in accordance with Section 4.

## **8. Rights in Respect of Loaned Securities.**

**8.1** Except as set forth in Sections 9.1 and 9.2, until Loaned Securities are required to be redelivered to Lender upon termination of a Loan hereunder, HTS shall have all of the incidents of ownership of the Loaned Securities, including the right to transfer the Loaned Securities to others. Lender hereby waives the right to vote, or to provide any consent or to take any similar action with respect to, the Loaned Securities in the event that the record date or deadline for such vote, consent or other action falls during the term of the Loan.

## **9. Distributions.**

**9.1** Lender shall be entitled to receive all Distributions made on or in respect of the Loaned Securities that are not otherwise received by Lender, to the full extent it would be so entitled if the Loaned Securities had not been lent to HTS.

**9.2** Any cash Distributions made on or in respect of the Loaned Securities, which Lender is entitled to receive pursuant to Section 9.1, shall be paid by the transfer of cash to Lender by HTS, on the date any such Distribution is paid, in an amount equal to such cash Distribution, so long as Lender is not in Default at the time of such payment. Non-cash Distributions that Lender is entitled to receive pursuant to Section 9.1 shall be added to the Loaned Securities on the date of distribution and shall be considered such for all purposes, except that if the Loan has terminated, HTS shall forthwith transfer the same to Lender.

**9.3** HTS shall be entitled to receive all Distributions made on or in respect of Collateral that are not otherwise received by HTS, to the full extent it would be so entitled if the Collateral had not been transferred to the Deposit Account for Lender's benefit.

**9.4.** Any Distributions made on or in respect of such Collateral, which HTS is entitled to receive pursuant to Section 9.3, shall be added to the Collateral on the date of distribution and shall be considered such for all purposes, except that if each Loan secured by such Collateral has terminated, the same shall forthwith be transferred to HTS.

**9.5** HTS and Lender agree:

(a) If (i) HTS is required to make a payment (a "HTS Payment") with respect to cash Distributions on Loaned Securities under Sections 9.1 and 9.2 ("Securities Distributions"), or (ii) Lender is required to make a payment (a "Lender Payment") with respect to cash Distributions on Collateral under Sections 9.3 and 9.4 ("Collateral Distributions"), and (iii) HTS or Lender, as the case may be ("Payor"), shall be required by law to collect any withholding or other tax, duty, fee, levy or charge required to be deducted or withheld from such HTS Payment or Lender Payment ("Tax"), then Payor shall (subject to subsections (b) and (c) below), pay such additional amounts as may be necessary in order that the net amount of the HTS Payment or Lender Payment received by the Lender or HTS, as the case may be ("Payee"), after payment of such Tax equals the net amount of the Securities Distribution or Collateral Distribution that would have been received if such Securities Distribution or Collateral Distribution had been paid directly to the Payee.

(b) No additional amounts shall be payable to a Payee under subsection (a) above to the extent that Tax would have been imposed on a Securities Distribution or Collateral Distribution paid directly to the Payee.

(c) No additional amounts shall be payable to a Payee under subsection (a) above to the extent that such Payee is entitled to an exemption from, or reduction in the rate of, Tax on a HTS Payment or Lender Payment subject to the provision of a certificate or other documentation, but has failed timely to provide such certificate or other documentation.

Lender and HTS each shall be deemed to represent that, as of the commencement of such Loan, no Tax would be imposed on any cash Distribution paid to it with respect to (i) Loaned Securities subject to a Loan in which it is acting as Lender or (ii) Collateral for any Loan in which it is acting as HTS, unless such party has given notice to the contrary to the other party thereto (which notice shall specify the rate at which such Tax would be imposed). Each party to a Loan agrees to notify the other of any change that occurs during the term of such Loan in the rate of any Tax that would be imposed on any such cash Distributions payable to it.

**9.6** To the extent that, under the provisions of Sections 9.1 through 9.5, (a) a transfer of cash or other property by HTS would give rise to a Margin Excess or (b) a transfer of cash or other property by Lender would give rise to a Margin Deficit, HTS or Lender (as the case may be) shall not be obligated to make such transfer of cash or other property in accordance with such Sections, but shall in lieu of such transfer



immediately credit the amounts that would have been transferable under such Sections to the account of Lender or HTS (as the case may be) and Lender hereby authorizes HTS to effect such transfer.

## **10. Mark-to-Market.**

**10.1** HTS shall daily mark-to-market any Loan hereunder and in the event that at the Close of Trading on any Business Day the Market Value of the Collateral for any Loan to HTS shall be less than 102% of the Market Value of all the outstanding Loaned Securities subject to such Loan (a "Margin Deficit"), HTS shall transfer additional Collateral to the Deposit Account for Lender's benefit no later than the Close of Business on the next Business Day so that the Market Value of such additional Collateral, when added to the Market Value of the other Collateral for such Loan, shall be at 102% of the Market Value of the Loaned Securities. Collateral Agent shall on a daily basis compare the total aggregate amount of collateral that HTS is required to pledge to Lender and other lenders of securities participating in the HTS Fully Paid Lending Program as reflected on the Collateral Schedule to the total aggregate amount of collateral posted by HTS to the Deposit Account for such day and notify HTS in the event of any shortfall. Collateral Agent may rely upon, and be fully protected in relying upon, such mark-to-market information provided by HTS that Collateral Agent reasonably believes to be genuine.

**10.2** Subject to HTS' obligations under Section 10.1, if at any time the Market Value of all Collateral for Loans to HTS shall be greater than 102% of the Market Value of all the outstanding Loaned Securities subject to such Loans (a "Margin Excess"), HTS may transfer Collateral equal to such Margin Excess from the Deposit Account to HTS so long as the Market Value of the Collateral for such Loans remaining in the Deposit Account, after deduction of such amount, shall thereupon be at 102% of the Market Value of the Loaned Securities.

## **11. Representations.**

The parties to this Agreement hereby make the following representations and warranties, which shall continue during the term of any Loan hereunder:

**11.1** Each party hereto represents and warrants that (a) it has the power to execute and deliver this Agreement and to perform its obligations hereunder, (b) it has taken all necessary action to authorize such execution, delivery and performance, and (c) this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms.

**11.2** HTS and Lender each represents and warrants that it has the power to enter into the Loans contemplated hereby.

**11.3** HTS and Lender each represents and warrants that it has not relied on the other for any tax or accounting advice concerning this Agreement and that it has made its own determination as to the tax and accounting treatment of any Loan and any dividends, remuneration or other funds received hereunder.

**11.4** HTS and Lender each represents and warrants that it is acting for its own account.

**11.5** Lender represents that it is not an affiliate of the company that issued the Loaned Securities.

**11.6** HTS represents and warrants that it has, or will have at the time of transfer of any Collateral, the right to grant a first priority security interest therein subject to the terms and conditions hereof.

**11.7** HTS represents and warrants that it (or the person to whom it relends the Loaned Securities) is borrowing or will borrow Loaned Securities that are Equity Securities for the purpose of making delivery of such Loaned Securities in the case of short sales, failure to receive securities required to be delivered, or as otherwise permitted pursuant to Regulation T as in effect from time to time.

**11.8** Lender represents and warrants that it has, or will have at the time of transfer of any Loaned Securities, the right to transfer the Loaned Securities subject to the terms and conditions hereof.

## **12. Covenants.**

HTS and Lender each agrees to be liable as principal with respect to its obligations hereunder.

## **13. Events of Default.**

All Loans hereunder may, at the option of the non-defaulting party (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), be terminated immediately upon the occurrence of any one or more of the below-listed events (individually, a "Default") and, where applicable, the expiration of the cure period set forth in this Section 13. **Upon the occurrence of a Default by HTS other than an Act of Insolvency, Lender shall notify Collateral Agent that it is exercising its option to terminate all Loans under this Agreement by submitting a Notice of Default (with a concurrent notice to HTS) in accordance with Section 14.1:**

**13.1** if any Loaned Securities shall not be transferred to Lender upon termination of the Loan as required by Section 7;

**13.2** if Lender interferes with the return of any Collateral to HTS upon termination of the Loan as required by Section 7;

**13.3** if HTS shall fail to transfer Collateral as required by Section 10;

**13.4** if HTS shall fail to transfer to Lender amounts in respect of Distributions required to be transferred by Section 9;

**13.5** if an Act of Insolvency occurs with respect to HTS or Lender;

**13.6** if any representation made by HTS or Lender in respect of this Agreement or any Loan or Loans hereunder shall be incorrect or untrue in any material respect during the term of any Loan hereunder;

**13.7** if HTS or Lender notifies the other of its inability to or its intention not to perform its obligations hereunder or otherwise disaffirms, rejects or repudiates any of its obligations hereunder; or

**13.8** if HTS or Lender shall fail to perform any material obligation under this Agreement not specifically set forth in Sections 13.1 through 13.7, above (including but not limited to, with respect to HTS, the payment of any Loan Fees as required by Section 6, and the payment of transfer taxes as required by Section 15).

**Notwithstanding anything herein to the contrary, if there is an event of Default by HTS, except for an Act of Insolvency under Section 13.5, HTS will have the right to cure such Default, and Lender shall not be entitled to any Collateral unless and until such Default remains uncured three (3) Business Days after Lender's submission of a Notice of Default to Collateral Agent (with a concurrent notice to HTS) in accordance with Section 14.1. In the event that HTS cures such Default within the aforementioned three (3) Business Day cure period, or if Lender otherwise no longer seeks to exercise the Default rights afforded herein, Lender must submit to Collateral Agent a Notice of Revocation (with a concurrent notice to HTS, as set forth below in Section 14.1(a)(ii)). If Lender does not timely submit a Notice of Revocation and, as a result, Collateral Agent remits Collateral to Lender, or directs the Bank to remit the Collateral to Lender, HTS' obligation to return a like amount of the Loaned Securities shall terminate.**

If HTS is the non-defaulting party, HTS shall (except upon the occurrence of an Act of Insolvency by Lender) give notice as promptly as practicable to Lender of the exercise of its option to terminate all Loans hereunder pursuant to this Section 13. In the event of the occurrence of an Act of Insolvency with respect to HTS, such notice and the termination of all Loans hereunder shall be deemed to have been given upon the public filing of any case, proceeding, petition or decree against the defaulting party under Chapter 7 or Chapter 11 of the Bankruptcy Code, under SIPA or under the Orderly Liquidation Authority under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

## **14. Remedies.**

### **14.1 Remedies of Lender.**

**(a)** In the event that Lender decides to exercise its rights under this Section, Lender must contact Collateral Agent at 1-800-433-1918 or email at [RTIDOps@rnt.com](mailto:RTIDOps@rnt.com) (such oral or written notice, a "Notice of Default") and also provide concurrent notice to HTS at [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com).

- (i)** Collateral Agent will have no obligation to determine or verify the occurrence or continuation of the Default for which Lender has submitted such Notice of Default. Collateral Agent and the Bank reserve the right to require Lender to present any information, identification, certification or any other documentation reasonably deemed necessary by Collateral Agent or the Bank to establish Lender's entitlement to funds prior to disbursing any funds to Lender.

- (ii) In the event that HTS cures the Default within the three (3) Business Day cure period, or if Lender otherwise no longer seeks to exercise the Default rights afforded herein, Lender must contact Collateral Agent at **1-800-433-1918** or [RTIDOps@rnt.com](mailto:RTIDOps@rnt.com) to revoke its previous Notice of Default (such oral or written notice, a “Notice of Revocation”) and also provide concurrent notice to HTS at [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com).
- (iii) Upon actual knowledge of the occurrence of an Act of Insolvency with respect to HTS pursuant to Section 5.3, Collateral Agent shall, on Lender’s behalf, immediately commence the exercise of Lender’s remedies as set forth in this Section 14.1.

(b) Upon the occurrence of a Default under Section 13 entitling Lender to terminate all Loans hereunder, Lender shall have the right, in addition to any other remedies provided herein (which right may be exercised by Lender after the expiration of the three (3) Business Day cure period following Lender’s submission of a Notice of Default to Collateral Agent, provided that no such cure period will apply upon an Act of Insolvency by HTS), (i) to purchase a like amount of Loaned Securities (“Replacement Securities”) in the principal market for such Loaned Securities in a commercially reasonable manner, (ii) to instruct Collateral Agent to remit to Lender Collateral, or to direct the Bank to remit to Lender Collateral, in the amount that is allocated to Lender based on the Collateral Schedule provided by HTS to Collateral Agent on the date that the Notice of Default was submitted or was deemed to have been submitted (or, if no Collateral Schedule was provided by HTS to Collateral Agent on such date, on the most recently provided Collateral Schedule prior to such date) and (iii) to apply and set off the Collateral against the payment of the purchase price for such Replacement Securities and any amounts due to Lender under Sections 6, 9, 15 and 17. Collateral Agent may rely upon, and be fully protected in relying upon, any notice received from Lender that it reasonably believes to be genuine relating to a Default with respect to HTS and Lender’s instruction to Collateral Agent to cause Collateral to be remitted from the Bank to Lender.

(c) In the event that Lender shall exercise such rights, HTS’ obligation to return a like amount of the Loaned Securities shall terminate. Lender may similarly apply the Collateral to any other obligation of HTS under this Agreement, including HTS’ obligations with respect to Distributions paid to HTS (and not forwarded to Lender) in respect of Loaned Securities. In the event that (i) the purchase price of Replacement Securities (plus all other amounts, if any, due to Lender hereunder) exceeds (ii) the amount of the Collateral, HTS shall be liable to Lender for the amount of such excess together with interest thereon at a rate equal to (A) the ISDA Fallback Protocol or (B) such other rate as may be specified in HTS’ customer website and mobile application, in each case as such rate fluctuates from day to day, from the date of such purchase until the date of payment of such excess. As security for HTS’ obligation to pay such excess, Lender shall have, and HTS hereby grants, a security interest in any property of HTS then held by or for Lender and a right of setoff with respect to such property and any other amount payable by Lender to HTS. The purchase price of Replacement Securities purchased under this Section 14.1 shall include broker’s fees and commissions and all other reasonable costs, fees and expenses related to such purchase or sale (as the case may be). In the event Lender exercises its rights under this Section 14.1, Lender may elect in its sole discretion, in lieu of purchasing all or a portion of the Replacement Securities,

to be deemed to have made, respectively, such purchase of Replacement Securities for an amount equal to the price therefor on the date of such exercise obtained from a generally recognized source or the last bid quotation from such a source at the most recent Close of Trading. Subject to Section 19, upon the satisfaction of all obligations hereunder, any remaining Collateral shall be returned to HTS by Collateral Agent or Lender, as applicable.

#### **14.2 Remedies of HTS.**

Upon the occurrence of a Default under Section 13 entitling HTS to terminate all Loans hereunder, HTS shall have the right, in addition to any other remedies provided herein (which, upon the occurrence of an Act of Insolvency, may be exercised following the termination of any applicable stay), (a) to terminate such Loans, (b) to return the Loaned Securities to Lender and (c) to effect the transfer of the Collateral for such Loans to HTS. HTS shall be entitled to set off claims and apply any property of Lender held by HTS against obligations owing to HTS by Lender under this Agreement. In the event that the value of the property of Lender held by HTS is insufficient to satisfy the amounts owed to HTS by Lender under this Agreement, Lender shall be liable to HTS for the amount of any such deficiency, together with interest on such amounts at a rate equal to (i) the ISDA Fallback Protocol or (ii) such other rate as may be specified in HTS' customer website or mobile application, in each case as such rate fluctuates from day to day, from the date of such sale until the date of payment of such deficiency. Upon the satisfaction of all Lender's obligations to HTS hereunder, any remaining property of Lender held by HTS (or remaining cash proceeds thereof) shall be returned to Lender.

**14.3** HTS and Lender acknowledge and agree that (a) the Loaned Securities are of a type traded in a recognized market, (b) in the absence of a generally recognized source for prices or bid or offer quotations for any security, the non-defaulting party may establish the source therefor in its sole discretion, and (c) all prices and bid and offer quotations shall be increased to include accrued interest to the extent not already included therein (except to the extent contrary to market practice with respect to the relevant Securities).

**14.4** In addition to its rights hereunder, the non-defaulting party shall have any rights otherwise available to it under any other agreement or applicable law. In addition to any other remedies to which a non-defaulting party may be entitled under the Agreement, the defaulting party shall, with respect to an individual Loan or with respect to a class of Loans, be liable to the non-defaulting party for (a) the amount of all reasonable legal or other expenses incurred by the non-defaulting party in connection with or as a result of a Default, (b) damages in an amount equal to the cost (including all payments, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of a Default, and (c) any other loss, damage, cost or expense directly arising or resulting from the occurrence of a Default in respect of a Loan.

#### **15. Taxes.**

All transfer taxes with respect to the transfer of the Loaned Securities by Lender to HTS and by HTS to Lender upon termination of the Loan and with respect to the transfer of Collateral by HTS to the Deposit

Account for Lender's benefit and to HTS upon termination of the Loan or pursuant to Section 10 shall be paid by HTS.

## **16. Transfers.**

**16.1** All transfers by either HTS or Lender of Loaned Securities consisting of "financial assets" (within the meaning of the UCC) hereunder shall be by (a) in the case of certificated securities, physical delivery of certificates representing such securities together with duly executed stock and bond transfer powers, as the case may be, with signatures guaranteed by a bank or a member firm of the New York Stock Exchange, Inc., (b) registration of an uncertificated security in the transferee's name by the issuer of such uncertificated security, (c) the crediting by a Clearing Organization of such financial assets to the transferee's "securities account" (within the meaning of the UCC) maintained with such Clearing Organization, (d) such other means as specified in this Agreement, or (e) such other means as HTS and Lender may agree.

**16.2** All transfers of cash hereunder shall be by (a) wire transfer in immediately available, freely transferable funds, (b) crediting Lender's account carried by HTS or (c) such other means as HTS and Lender may agree.

**16.3** A transfer of Securities or cash may be effected under this Section 16 on any day except (a) a day on which HTS (or, in the case of Collateral, the Bank) is closed for business at its primary place of business or (b) a day on which a Clearing Organization or wire transfer system is closed, if the facilities of such Clearing Organization or wire transfer system are required to effect such transfer.

**16.4** For the avoidance of doubt, HTS and Lender agree and acknowledge that the term "securities," as used herein (except in this Section 16), shall include any "security entitlements" with respect to such securities (within the meaning of the UCC). In every transfer of "financial assets" (within the meaning of the UCC) hereunder, the transferor shall take all steps necessary (a) to effect a delivery to the transferee under Section 8-301 of the UCC, or to cause the creation of a security entitlement in favor of the transferee under Section 8-501 of the UCC, (b) to enable the transferee to obtain "control" (within the meaning of Section 8-106 of the UCC), and (c) to provide the transferee with comparable rights under any applicable foreign law or regulation.

## **17. Contractual Currency.**

**17.1** HTS and Lender agree that (a) any payment in respect of a Distribution under Section 9 shall be made in the currency in which the underlying Distribution of cash was made, (b) any return of cash shall be made in the currency in which the underlying transfer of cash was made, and (c) any other payment of cash in connection with a Loan under this Agreement shall be in the currency agreed upon by HTS and Lender in connection with such Loan (the currency established under clause (a), (b) or (c) is hereinafter referred to as the "Contractual Currency"). Notwithstanding the foregoing, the payee of any such payment may, at its option, accept tender thereof in any other currency; provided, however, that, to the extent permitted by applicable law, the obligation of the payor to make such payment will be discharged only to the extent of the amount of Contractual Currency that such payee may, consistent with normal

banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) on the banking day next succeeding its receipt of such currency.

**17.2** If for any reason the amount in the Contractual Currency received under Section 17.1, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due in respect of this Agreement, the party required to make the payment will (unless a Default has occurred and such party is the non-defaulting party) as a separate and independent obligation and to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.

**17.3** If for any reason the amount in the Contractual Currency received under Section 17.1 exceeds the amount in the Contractual Currency due in respect of this Agreement, then the party receiving the payment will (unless a Default has occurred and such party is the non-defaulting party) refund promptly the amount of such excess.

## **18. Certain Retirement Accounts (IRAs).**

Lender shall, if any of the Securities transferred to HTS hereunder for any Loan have been or shall be obtained, directly or indirectly, from or using the assets of any “plan” as defined in and subject to the provisions of Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), so notify HTS in writing upon the execution of this Agreement or upon initiation of such Loan under Section 2. If Lender so notifies HTS, then HTS and Lender shall conduct the Loan in accordance with the terms and conditions of Department of Labor Prohibited Transaction Exemption 2006-16 (71 Fed. Reg. 63786, Oct 31, 2006), or any successor thereto (unless HTS and Lender have agreed prior to entering into a Loan that such Loan will be conducted in reliance on another exemption, or without relying on any exemption, from the prohibited transaction provisions of Section 4975 of the Code). Without limiting the foregoing and notwithstanding any other provision of this Agreement, if the Loan will be conducted in accordance with Prohibited Transaction Exemption 2006-16, then:

**18.1** HTS represents and warrants to Lender that it is either (a) a bank subject to federal or state supervision, (b) a broker-dealer registered under the Exchange Act or (c) exempt from registration under Section 15(a)(1) of the Exchange Act as a dealer in Government Securities.

**18.2** HTS represents and warrants that, during the term of any Loan hereunder, neither HTS nor any affiliate of HTS has any discretionary authority or control with respect to the investment of the assets of the plan (as defined in this Section 18) involved in the Loan or renders investment advice (within the meaning of 29 C.F.R. Section 2510.3-21(c)) with respect to the assets of such plan. Lender represents and agrees that, prior to or at the commencement of any Loan hereunder, it will communicate to HTS information regarding such plan sufficient to identify to HTS any person or persons that have discretionary authority or control with respect to the investment of the assets of such plan or that render investment advice (as defined in the preceding sentence) with respect to the assets of such plan. In the event Lender fails to communicate and keep current during the term of any Loan such information, Lender rather than HTS shall be deemed to have made the representation and warranty in the first sentence of this Section 18.2.

**18.3** HTS shall mark to market daily each Loan hereunder pursuant to Section 10 as is required if Lender is a “customer” of HTS under Rule 15c3-3 under the Exchange Act or any comparable regulation of the Secretary of the Treasury under Section 15C of the Exchange Act (to the extent that HTS is subject to such Rule or comparable regulation).

**18.4** HTS and Lender agree that:

(a) the term “Collateral” shall mean all U.S. dollar cash pledged for Lender’s benefit by HTS as security for HTS’ obligations in respect of Loans and for any other obligations of HTS to Lender under this Agreement;

(b) prior to the making of any Loans hereunder, HTS shall provide Lender with (i) the most recent available audited statement of HTS’ financial condition and (ii) the most recent available unaudited statement of HTS’ financial condition (if more recent than the most recent audited statement), and each Loan made hereunder shall be deemed a representation by HTS that there has been no material adverse change in HTS’ financial condition subsequent to the date of the latest financial statements or information furnished in accordance herewith;

(c) the Loan may be terminated by Lender at any time, whereupon HTS shall deliver the Loaned Securities to Lender within the lesser of (i) the customary delivery period for such Loaned Securities and (ii) five (5) Business Days; and

(d) the Collateral transferred shall be security only for obligations of HTS to such plan with respect to Loans, and shall not be security for any obligation of HTS to any agent or affiliate of such plan.

**18.5** Lender represents and warrants that it is not, is not acting on behalf of, and is not using any assets of, (i) any “employee benefit plan” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 which is subject to Part 4 of Subtitle B of Title I of such Act , or (ii) any entity the assets of which are deemed to be assets of any such “employee benefit plan” by reason of the Department of Labor’s plan asset regulation, 29 C.F.R. Section 2510.3-101.

## **19. Single Agreement.**

HTS and Lender acknowledge that, and have entered into this Agreement in reliance on the fact that, all Loans hereunder constitute a single business and contractual relationship and have been entered into in consideration of each other. Accordingly, HTS and Lender hereby agree that payments, deliveries and other transfers made by either of them in respect of any Loan shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Loan hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted. In addition, HTS and Lender acknowledge that, and have entered into this Agreement in reliance on the fact that, all Loans hereunder have been entered into in consideration of each other. Accordingly, HTS and Lender hereby agree that (a) each shall perform all of its obligations in respect of each Loan hereunder, and that a default in the performance of any such obligation by HTS or by Lender (the “Defaulting Party”) in any Loan hereunder shall constitute a default by the Defaulting Party under all such Loans hereunder, and (b) the non-defaulting party shall be entitled to set off claims and apply property held by it in respect of any Loan hereunder against obligations owing to it in respect of any other Loan with the Defaulting Party.



## **20. APPLICABLE LAW.**

THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

## **21. Waiver.**

The failure of a party to this Agreement to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. All waivers in respect of a Default must be in writing.

## **22. Survival of Remedies.**

All remedies hereunder and all obligations with respect to any Loan shall survive the termination of the relevant Loan, return of Loaned Securities or Collateral and termination of this Agreement.

## **23. Notices and Other Communications.**

Any and all notices, statements, demands or other communications hereunder may be given by HTS or Collateral Agent to Lender by telephone, mail, e-mail, electronic message or otherwise at the phone number provided by Lender and maintained by HTS or Collateral Agent, as applicable, in its books and records for such party. Any and all notices, statements, demands or other communications hereunder may be given by Lender to HTS in writing electronically via the secure electronic message center maintained by HTS for the account of Lender or by emailing [support@hilltopsecurities.com](mailto:support@hilltopsecurities.com). Any and all notices, statements, demands or other communications hereunder may be given by Lender to Collateral Agent in writing to [RTIDOps@rnt.com](mailto:RTIDOps@rnt.com) or at 1-800-433-1918. Any notice, statement, demand or other communication hereunder will be deemed effective on the day and at the time on which it is received or, if not received, on the day and at the time on which its delivery was in good faith attempted; provided, however, that except for a Notice of Default or Notice of Revocation provided by Lender to Collateral Agent pursuant to Section 14.1, any notice by a party to the other party by telephone shall be deemed effective only if (a) such notice is followed by written confirmation thereof and (b) at least one of the other means of providing notice that are specifically listed above has previously been attempted in good faith by the notifying party.

## **24. MANDATORY ARBITRATION.**

**24.1** THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

(a) ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.

(b) ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.

(c) THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.

(d) THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST TWENTY (20) DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.

(e) THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

(f) THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.

(g) THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

**24.2** NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (a) THE CLASS CERTIFICATION IS DENIED; OR (b) THE CLASS IS DECERTIFIED; OR (c) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

**24.3** THE PARTIES HEREBY AGREE THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE PARTIES ARISING OUT OF THIS AGREEMENT OR ANY LOAN HEREUNDER SHALL BE SUBJECT TO THE MANDATORY ARBITRATION PROVISION CONTAINED IN ANY CUSTOMER ACCOUNT OR SIMILAR AGREEMENT ENTERED INTO BETWEEN SUCH PARTIES OR, IN THE ABSENCE OF SUCH AGREEMENT, EACH PARTY HERBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE STATE AND COUNTY OF NEW YORK, AND WAIVES ANY RIGHT THAT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY LOAN HEREUNDER.

## **25. Miscellaneous.**

Except as otherwise provided herein, this Agreement supersedes any other agreement between the parties hereto concerning loans of Securities between HTS and Lender. Except in accordance with Section 4.4 of the Collateral Agent Protocols, this Agreement shall not be assigned by HTS, Lender, or Collateral Agent without the prior written consent of the other parties and any attempted assignment without such consent shall be null and void. Any attempted assignment that would adversely affect the security interest in the Collateral granted pursuant to this Agreement and perfected by the Control Agreement shall likewise be null and void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of HTS, Lender and Collateral Agent and their respective heirs, representatives, successors and assigns. This Agreement may be terminated by HTS or Lender upon notice to the other, subject only to fulfillment of any obligations then outstanding. This Agreement may be modified by HTS according to the amendment and modification provisions set forth Section 2.3 of the Collateral Agent Protocols provided that any such action shall not adversely affect the security interest granted pursuant to this Agreement and perfected by the Control Agreement.

## 26. Definitions.

For the purposes hereof:

**26.1 “Act of Insolvency”** shall mean, with respect to HTS or Lender, (a) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party’s seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (b) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against such party of an application for a protective decree under the provisions of SIPA, which (i) is consented to or not timely contested by such party, (ii) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (iii) is not dismissed within fifteen (15) days, (c) the making by such party of a general assignment for the benefit of creditors, or (d) the admission in writing by such party of such party’s inability to pay such party’s debts as they become due.

**26.2 “Bank”** shall have the meaning assigned in Section 4.1.

**26.3 “Bankruptcy Code”** shall have the meaning assigned in Section 27.1.

**26.4 “Business Day”** shall mean, with respect to any Loan hereunder, a day on which regular trading occurs in the principal market for the Loaned Securities subject to such Loan, provided, however, that for purposes of determining the Market Value of any Securities hereunder, such term shall mean a day on which regular trading occurs in the principal market for the Securities whose value is being determined. Notwithstanding the foregoing, (a) for purposes of Section 10, “Business Day” shall mean any day on which regular trading occurs in the principal market for any Loaned Securities under any outstanding Loan hereunder and “next Business Day” shall mean the next day on which a transfer of Collateral may be effected in accordance with Section 16, and (b) in no event shall a Saturday or Sunday be considered a Business Day.

**26.5 “Clearing Organization”** shall mean (a) The Depository Trust Company or such other “securities intermediary” (within the meaning of the UCC) at which HTS (or HTS’ agent) and Lender (or Lender’s agent) maintain accounts, or (b) a Federal Reserve Bank, to the extent that it maintains a book-entry system.

**26.6 “Close of Business”** shall mean 4:00 p.m. (New York City time).

**26.7 “Close of Trading”** shall mean, with respect to any Security, the end of the primary trading session established by the principal market for such Security on a Business Day.

**26.8 “Collateral”** shall mean all U.S. dollar cash pledged for Lender’s benefit by HTS as security for HTS’ obligations in respect of Loans and for any other obligations of HTS to Lender under this Agreement.

**26.9 “Collateral Agent”** shall have the meaning assigned in the first paragraph of this Agreement.

**26.10 “Collateral Agent Protocols”** shall have the meaning assigned in Section 5.1.

**26.11 “Collateral Distributions”** shall have the meaning assigned in Section 9.5(a).

**26.12 “Confirmation”** shall have the meaning assigned in Section 2.1.

**26.13 “Contractual Currency”** shall have the meaning assigned in Section 17.1.

**26.14 “Control Agreement”** shall have the meaning assigned in Section 5.2.

**26.15 “Customer”** shall mean any person that is a customer of HTS under Rule 15c3-3 under the Exchange Act or any comparable regulation of the Secretary of the Treasury under Section 15C of the Exchange Act (to the extent that HTS is subject to such Rule or comparable regulation).

**26.16 “Cutoff Time”** shall mean 3:00 p.m. (New York City time) on a Business Day by which a transfer of cash, securities or other property must be made by HTS or Lender to the other, or shall be as specified in the policies and procedures described on HTS’ website.

**26.17 “Default”** shall have the meaning assigned in Section 13.

**26.18 “Defaulting Party”** shall have the meaning assigned in Section 19.

**26.19 “Deposit Account”** shall have the meaning assigned in Section 4.1.

**26.20 “Distribution”** shall mean, with respect to any Security at any time, any distribution made on or in respect of such Security, including, but not limited to: (a) cash and all other property, (b) stock dividends, (c) Securities received as a result of split ups of such Security and distributions in respect thereof, (d) interest payments, (e) all rights to purchase additional Securities, and (f) any cash or other consideration paid or provided by the issuer of such Security in exchange for any vote, consent or the taking of any similar action in respect of such Security (regardless of whether the record date for such vote, consent or other action falls during the term of the Loan). With respect to Collateral consisting of cash, “Distribution” shall mean interest on such cash Collateral.

**26.21 “Dodd-Frank Act”** shall have the meaning assigned in Section 5.3.

**26.22 “Exchange Act”** shall mean the Securities Exchange Act of 1934, as amended.

**26.23 “FDIA”** shall have the meaning assigned in Section 27.4.

**26.24 “FDICIA”** shall have the meaning assigned in Section 27.5.

**26.25 “Government Securities”** shall mean government securities as defined in Section 3(a)(42)(A)-(C) of the Exchange Act.

**26.26 “HTS”** shall have the meaning assigned in the first paragraph of this Agreement.

**26.27 “HTS Payment”** shall have the meaning assigned in Section 9.5(a).

**26.28 “ISDA Fallback Protocol”** shall mean for any date, the prevailing rate under IBOR Fallback [www.isda.org](http://www.isda.org).

**26.29 “Lender”** shall have the meaning assigned in in the first paragraph of this Agreement.

**26.30 “Lender Payment”** shall have the meaning assigned in Section 9.5(a).

**26.31 “Loan”** shall have the meaning assigned in Section 1.

**26.32 “Loan Fee”** shall have the meaning assigned in Section 6.1.

**26.33 “Loaned Security”** shall mean any Security transferred in a Loan hereunder until such Security (or an identical Security) is transferred back to Lender hereunder, except that, if any new or different Security shall be exchanged for any Loaned Security by recapitalization, merger, consolidation or other corporate action, such new or different Security shall, effective upon such exchange, be deemed to become a Loaned Security in substitution for the former Loaned Security for which such exchange is made. For purposes of return of Loaned Securities by HTS or purchase or sale of Securities pursuant to Section 14, such term shall include Securities of the same issuer, class and quantity as the Loaned Securities, as adjusted pursuant to the preceding sentence.

**26.34 “Margin Deficit”** shall have the meaning assigned in Section 10.1.

**26.35 “Margin Excess”** shall have the meaning assigned in Section 10.2.

**26.36 “Market Value”** shall, with respect to Securities, be reasonably determined by HTS in accordance with its standard practices for valuing Securities. With respect to Collateral consisting of cash, “Market Value” shall mean the face amount of such cash.

**26.37 “Notice of Default”** shall have the meaning assigned in Section 14.1(a).

**26.38 “Notice of Revocation”** shall have the meaning assigned in Section 14.1(a)(ii).

**26.39 “Payee”** shall have the meaning assigned in Section 9.5(a).

**26.40 “Payor”** shall have the meaning assigned in Section 9.5(a).

**26.41 “Regulation T”** shall mean Regulation T of the Board of Governors of the Federal Reserve System, as in effect from time to time.

**26.42 “Securities”** shall mean securities or, if agreed by HTS and Lender in writing, other assets.

**26.43 “Securities Distributions”** shall have the meaning assigned in Section 9.5(a).

**26.44 “SIPA”** shall have the meaning assigned in Section 5.3.

**26.45 “Tax”** shall have the meaning assigned in Section 9.5(a).

**26.46 “UCC”** shall mean the New York Uniform Commercial Code.

## **27. Intent.**

**27.1** The parties recognize that each Loan hereunder is a “securities contract,” as such term is defined in Section 741 and used in Sections 362(b)(6), 546(e) and 555 of Title 11 of the United States Code (as amended, the “Bankruptcy Code”), as amended and Section 78eee(b)(2)(B) of SIPA.

**27.2** It is understood that each and every transfer of funds, securities and other property under this Agreement and each Loan hereunder is a “settlement payment,” a “margin payment” or a “transfer” as such terms are used in Sections 362(b) (6) and 546(e) of the Bankruptcy Code.

**27.3** It is understood that the rights given to HTS and Lender hereunder upon a Default by the other constitute a “contractual right” to cause the acceleration, termination and/or liquidation of a securities contract and the right to set off and/or net mutual debts and claims in connection with a securities contract and related credit enhancements, as such terms are used in Sections 555 and 362(b)(6) of the Bankruptcy Code.

**27.4** Lender and HTS agree and acknowledge that if a party to a Loan is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Loan hereunder is a “securities contract” and “qualified financial contract,” as such terms are defined in the FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to the Loan would render such definitions inapplicable).

**27.5** It is understood that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment obligation under any Loan hereunder shall constitute a “covered contractual payment entitlement” or “covered contractual payment obligation,” respectively, as defined in and subject to FDICIA (except insofar as one or both of Lender or HTS is not a “financial institution” as that term is defined in FDICIA).

**27.6** Except to the extent required by applicable law or regulation, HTS and Lender agree that Loans hereunder shall in no event be “exchange contracts” for purposes of the rules of any securities exchange and that Loans hereunder shall not be governed by the buy-in or similar rules of any such exchange, registered national securities association or other self-regulatory organization.

**27.7** HTS and Lender agree that they intend the Loans hereunder to meet the requirements of Section 1058(b) of the Internal Revenue Code of 1986.

## **28. Electronic Delivery.**

**28.1** Lender consents to HTS delivering all Confirmations electronically via the HTS’ online customer site or mobile application, provided, that HTS will also notify Lender of any Confirmation by email. Lender’s consent is effective immediately and will remain in effect for the term of this Agreement.

**28.2** Lender acknowledges that by failing to complete the enrollment for access to HTS’ online customer site and mobile application, HTS will have no liability for any losses resulting Lender’s failure to regularly review Lender’s account within HTS’ online customer site or mobile application.

## 29. DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS.

WITHOUT WAIVING ANY RIGHTS GIVEN TO LENDER HEREUNDER, IT IS UNDERSTOOD AND AGREED THAT THE PROVISIONS OF SIPA MAY NOT PROTECT LENDER WITH RESPECT TO LOANED SECURITIES HEREUNDER AND THAT, THEREFORE, THE CASH COLLATERAL DELIVERED TO THE DEPOSIT ACCOUNT FOR THE BENEFIT OF LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF HTS' OBLIGATIONS IN THE EVENT HTS FAILS TO RETURN THE LOANED SECURITIES.

## 30. OTHER IMPORTANT DISCLOSURES.

**30.1** BY AGREEING TO AND ACCEPTING THIS AGREEMENT, LENDER AGREES AND ACKNOWLEDGES THAT IT HAS READ AND FULLY UNDERSTANDS THIS AGREEMENT AND THE SEPARATE DOCUMENT ENTITLED "RISK DISCLOSURES STATEMENT FOR THE FULLY PAID LENDING PROGRAM".

**30.2.** LENDER ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF, AND UNDERSTANDS, THE COLLATERAL AGENT PROTOCOLS, ATTACHED HERETO AS APPENDIX 1.

**30.3.** LENDER ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 24.

### Lender

By: \_\_\_\_\_

Name: \_\_\_\_\_

### Hilltop Securities Inc.

By:  \_\_\_\_\_

Name: Lana Calton

Title: Executive Managing Director

### Stable Custody Group II, LLC, as Collateral Agent

By:  \_\_\_\_\_

Name: Joseph Jerkovich

Title: President