

## **Terms and Conditions for IPO Participation**

Initial Public Offerings (IPOs) are generally regarded as high-risk investments. Motif Investing makes IPOs available as a product offering and convenience to its customers. However, in doing so, you understand and agree that Motif is not recommending to you the purchase of any particular IPO. You understand that IPOs entail unique risks, are subject to late-changing updates that can affect the timing and structure of its offerings, and once trading begins, are subject to highly volatile market swings, You are responsible for all investment decisions you make and must decide whether an investment in any particular IPO meets your risk tolerance, investment strategy, and is a suitable investment for you.

### **Place a Conditional Order**

In order to participate in an IPO offering available through Motif, you must confirm that you have accessed the preliminary prospectus for that offering, or that it has been made available to you by Motif, prior to placing your Conditional Order. In addition, Customers must complete a profile for each offering in which you place a Conditional Order. FINRA Rule 5130 also states firms, such as Motif, that make IPOs available to customers, must determine if customers may be restricted from participating in an IPO due to their employment with a related member firm. FINRA Rule 5130 Form requires representations about relationships you may have with the securities industry, or with persons associated with the securities industry.

If you complete the eligibility questionnaire and are determined to be a restricted individual, you will not be allowed to participate in an IPO. If you do not meet the minimum requirements by the time the IPO is effective and pricing is final, any Conditional Order you submitted, will be canceled.

Customers must review the prospectus, complete the profile and verify the 5130 notice, submit a Conditional Order, and have sufficient funds in your account, in order for your order to be considered complete, and making you eligible for an allocation of shares of the IPO.

Prior to the time the IPO deemed effective and is priced, you can cancel your Conditional Order or change your order to increase or decrease the number of requested shares. Once the IPO is deemed effective and is priced, you will have a window of opportunity to enter a Conditional order, or update a pending order. Once the window is closed, you will not be able to place a new order or make changes to pending orders.

Motif will not make outbound calls or send additional e-mail notifications to you after the time the IPO is deemed effective, the issue is priced, and the window is closed. Once the shares are allocated, Motif will send an email notification to customers if they received an allocation, or not, or if some other activity that affected allocation of IPO shares, had occurred. Customers who were allocated shares of the IPO will also see the shares updated in their Motif account.

### **Allocation of Shares**

Motif cannot guarantee that an eligible customer will be allocated shares. Motif Investing will allocate available shares of an IPO to eligible customers that have placed a valid Conditional Order, on a pro-rated basis, in an effort to allow for a greater number of participates to receive an allocation. However, Motif has no control over the number of shares it will received from the lead underwriters, to be allocated to Motif customers. An offer may be delayed or canceled, the offering price may be adjusted higher or lower, and the number of shares available may be increased or decreased – all factors beyond the control of Motif.

In the event an IPO is oversubscribed based on the number of shares Motif can distribute to customers, it will distribute the appropriate pro-rated percentage of shares for account on a best efforts basis. If Motif receives the exact number of shares as the volume of conditional orders received, customers will receive 100% of shares requested. If Motif receives only 50% of the number of shares requested, based on the volume of conditional orders received, customers can anticipate receiving 50% of the shares requested. There may be unforeseeable circumstances in which Motif has to modify this allocation process in order to meet a deadline or circumstance beyond its control. Whether customers receive 100% of their conditional order, a pro-rated amount, zero shares, or the offer is subject to an unforeseeable circumstance, Motif will send customers an electronic message regarding the status of their Conditional Order.

The pro-rated allocation model can be described through this simplified example, in which four customers are requesting shares, as follows:

	<b>Order</b>	<b>Allocation 100%</b>	<b>80%</b>	<b>50%</b>	<b>10%</b>
<b>Customer A</b>	100 shares	100 shares	80 shares	50 shares	10 shares
<b>Customer B</b>	200 shares	200 shares	160 shares	100 shares	20 shares
<b>Customer C</b>	300 shares	300 shares	240 shares	150 shares	30 shares
<b>Customer D</b>	400 shares	400 shares	320 shares	200 shares	40 shares

Motif reserves the right to change the allocation model or the method by which it allocates shares at any time and may reject any offer to purchase in whole or in part at its sole discretion.

You may receive a share allocation in whole and/or partial shares, in the same way, Motif may process your motif orders in whole and fractional shares.

### **If you receive an Allocation of IPOs shares**

You should be aware that shares allocated to you as part of an IPO are not marginable for the first 30 calendar days following the offering. Further, Motif may not accept pending market order to purchase shares of an IPO prior to the time the shares begin trading on the exchange in the secondary market. If you have been allocated shares of an IPO, you may enter an order to sell shares after shares become available for trading on the secondary market.

### **Electronic Delivery of Information**

Motif requires customers who participate in an IPO to consent to enter your order through the website and to receive documents and updates regarding the status of your order through

electronic communications. This includes communications related to the IPO including the initial prospectus, amended and final versions of the prospectus, and notifications regarding the status of your order, changes to deadlines, requirements for additional information from you, notifications of changes to pricing, timing that the window will be open to accept orders, and additional updates. You are responsible for monitoring your account for updates and responding to notifications sent to you regarding the status of your conditional order or the IPO offering. If Motif is requesting additional information from you and does not receive the required documents or information within required timelines, your order, or ability to place an order, will be canceled. You are responsible for updating your account with the most current email address available to receive and transmit information with Motif. In the case of two or more tenants being registered on an account, or the same email is being used for multiple accounts, you agree that notification to one primary email address is deemed effective delivery to all parties. Motif makes this electronic interface available as a convenience in terms of cost and speed, however, you are responsible for any and all costs associated with your efforts to contact the firm.