

**Authorization for transactions in retirement accounts
subject to the Employee Retirement Income Security Act of 1974 (“ERISA”)
and the Internal Revenue Code of 1986 (the “Code”)**

Your authorization for certain transactions.

You own an account which is part of a plan, such as a pension or other employee benefit plan, which is subject to the prohibited transaction and fiduciary responsibility rules of Part 4 of Title I of ERISA, or the prohibited transaction rules of Section 4975 of the Code, or both.

ERISA and the Code generally prohibit fiduciaries with respect to employee benefit plans and individual retirement accounts (IRA), like Covestor Ltd (Covestor), from engaging in self-dealing in connection with transactions involving plans and IRAs. But the Prohibited Transaction Exemption (PTE) 86-128 issued by the Department of Labor allows fiduciaries and their affiliates: (a) to receive compensation in connection with certain securities transactions entered into by plans and IRAs, and (b) to act as agent in agency cross transactions for both a plan or IRA and one or more other parties to the transaction and receive fees from the other parties in connection with these transactions if certain specific authorization and reporting requirements are met.

Pursuant to PTE 86-128, you hereby authorize Covestor and Interactive Brokers LLC (Interactive Brokers), Covestor’s affiliated broker-dealer to:

- receive brokerage commissions for effecting or executing securities transaction in your account to the extent that the securities transactions are not excessive in amount or frequency under the circumstances; and
- act as a broker for both you and the party on the other side of the transaction and receive reasonable compensation from both you and the other party.

As stated in the Investment Management Agreement, all brokerage transactions in your account will occur through Interactive Brokers, Covestor’s affiliate, and are subject to this authorization requirement in the case of retirement accounts.

You may terminate this authorization at any time by providing written notice to Covestor. Covestor will also give you the opportunity to revoke this authorization annually.

You can terminate this authorization and your Investment Management Agreement, without penalty, with written notice to Covestor via first class mail, personal delivery or email. Although written notice of termination is required, you are not expected to use the below Termination Notice form in order to effectively terminate this authorization. That is simply the form that Covestor will use as part of its annual reauthorization process.

Annually, Covestor will email you a Termination Notice form giving you the opportunity to terminate this authorization. This form (provided below) will explain that the agreement is terminable at will at any

time upon providing written notice to Covestor and your failure to return the Termination Notice form or provide some other written notification of your intent to terminate this authorization and the Investment Management Agreement with Covestor within thirty days from the date the termination form is sent to you will result in the continued authorization of Covestor and Interactive Brokers to engage in the above-described transactions on behalf of your account.

Please note that, if you terminate this authorization, you will no longer be able to invest through Covestor as all trades we make on your behalf are executed through Covestor's affiliated broker-dealer, Interactive Brokers, and transactions in portfolios you invest in may constitute agency cross transactions between your account and the account of another Interactive Brokers customer.

Documents Covestor provided to you before this authorization.

You acknowledge that, before you have provided authorization for the above-referenced transactions, Covestor has provided you with a copy of Prohibited Exemption 86-128 (<https://www.gpo.gov/fdsys/pkg/FR-2016-04-08/pdf/2016-07929.pdf>), the form for termination of this authorization (provided below), the Investment Management Agreement (available here: <http://site.covestor.com/agreements>) which describes Covestor's execution of brokerage transactions through its affiliated broker-dealer and the conflicts of interest posed by agency cross transactions, and Covestor's Informational Brochure (available on this page: <http://site.covestor.com/agreements>). You may find a description of Covestor's brokerage practices in the Informational Brochure (Form ADV Part 2A), Item 12: Brokerage Practices.

You may contact Covestor to request additional information on Covestor and Interactive Brokers' brokerage practices.

Trade confirmations and activity statements.

Through the Account Management functions on the Interactive Brokers website, you may access trade confirmations and daily, monthly and annual Activity Statements that detail:

- all securities transactions in your account;
- the date, time, identity, price, and number of shares of each security purchased or sold;
- whether Interactive Brokers acted as an agent for you and some other person in the transaction; and
- all commissions you paid in connection with the trading in your account.

Interactive Brokers also physically mails quarterly account summaries to your address.

Quarterly and annual statements separate out the amount of commissions retained by Interactive Brokers and any amount of commissions paid to other persons for execution or other services.

Annual activity statements for your account also include:

- any material changes to Interactive Brokers' brokerage practices during the year;

- an annualized portfolio turnover ratio calculated as a percentage of assets (i.e., securities and cash) over which Covestor had discretionary investment authority at any time during the year; and
- a statement identifying the total number of agency cross transactions during the year and the total amount of all commissions or other remuneration received from all sources by Interactive Brokers.

As stated in the Investment Management Agreement, all brokerage transactions in your account will occur through Interactive Brokers, Covestor's affiliate, and are therefore covered transactions that need to appear on your trade confirmations and activity statements. Agency cross trades will be separately identified on your trade confirmations and activity statements.

Proposed Termination Notice form

I, _____, request immediate termination of the *Authorization for transactions in retirement accounts subject to the Employee Retirement Income Security Act and the Internal Revenue Code* that I have previously provided to Covestor Ltd (Covestor) and Interactive Brokers LLC (Interactive Brokers) and the Investment Management Agreement that I have previously entered into with Covestor.

I have confirmed that I have returned this termination notice to Covestor within thirty days from the date Covestor sent me this annual termination form.

I understand that my failure to return this termination form or provide some other written notification of my intent to terminate this authorization and the Investment Management Agreement with Covestor within thirty days from the date the termination form was sent to me will result in the continued authorization of Covestor and Interactive Brokers to engage in the authorized transactions on my behalf.

Nonetheless, I may terminate this authorization at will and at any time, without penalty, by sending Covestor a written notice of termination via first class mail, personal delivery or email. My written termination notice to Covestor does not need to use this specific form, and may be a simple email or letter.

I understand and acknowledge that, if I terminate this authorization, I will no longer be able to invest through Covestor as all trades in Covestor portfolios are executed through Covestor's affiliated broker-dealer, Interactive Brokers, and transactions in portfolios I may wish to invest in constitute agency cross transactions between my account and the account of another Interactive Brokers brokerage customer.

I acknowledge that Covestor has provided me with all required disclosures and reporting during the time period that this authorization and the Investment Management Agreement were in effect.

Signed and acknowledged,
