

# **BETTERMENT**

## **LIMITED SCOPE ADVISORY AGREEMENT**

EFFECTIVE AS OF SEPTEMBER 1, 2021

This document includes agreements and representations that establish and govern the limited scope advisory relationship between Betterment and clients who (i) have not previously entered into an advisory agreement with Betterment LLC and (ii) wish to receive only Simple Services and/or Supplementary Services (as those terms are defined herein) from Betterment.

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## BETTERMENT LLC LIMITED SCOPE ADVISORY AGREEMENT

*THIS AGREEMENT IS EFFECTIVE AS OF SEPTEMBER 1, 2021.*

This Limited Scope Advisory Agreement (“Limited Scope Agreement”) is entered into by Betterment LLC (“Betterment”), an SEC-registered investment adviser and a Limited Client, as defined below. Subject to the terms of this Limited Scope Agreement, Limited Client will receive Simple Services (as defined below). **Limited Client understands that Betterment is not being engaged to provide discretionary investment advisory services pursuant to Betterment’s investment management wrap fee program (the “Program”, as defined below), which is governed by the Client Agreements (as defined below).**

1. *Introduction.* By signing this Limited Scope Agreement, you are representing and agreeing that you have read it carefully and understand its terms, including the arbitration clause located at Section 18. You should not sign this Limited Scope Agreement if you have any questions about your obligations under it, the services that Betterment is agreeing to provide, or the limitations of those services. If you do have questions, please contact us at [support@betterment.com](mailto:support@betterment.com) prior to signing this Limited Scope Agreement, and our representatives will assist you. You should retain this agreement for future reference.

Limited Client understands and agrees that the terms and conditions of this Limited Scope Agreement govern all aspects of Limited Client’s relationship with Betterment, including all interactions between Betterment and Limited Client and all products and services now or in the future offered by Betterment as Simple Services.

**AS SET FORTH IN SECTION 18 BELOW, THIS LIMITED SCOPE AGREEMENT INCLUDES AN ARBITRATION CLAUSE. BY ENTERING INTO THIS LIMITED SCOPE AGREEMENT, LIMITED CLIENT ACKNOWLEDGES THAT THE PARTIES TO THIS LIMITED SCOPE AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, THE RIGHT TO A JURY TRIAL, AND THE RIGHT TO LITIGATE OR ARBITRATE ON A CLASS BASIS.** By entering into this Limited Scope Agreement, Limited Client also acknowledges receipt of the Betterment Privacy Policy (available on the “Website”, as it is defined below).

**If Limited Client elects to participate in the Program and agrees electronically to the specific terms and conditions of the Client Agreements, this Limited Scope Agreement will terminate and the terms and conditions of the Client Agreements will replace and supersede the terms of this Limited Scope Agreement.** Betterment reserves the right to modify or terminate this Limited Scope Agreement at any time. Up-to-date information about the services contemplated by this Limited Scope Agreement will be provided via the Interface.

Certain features of Simple Services, such as Aggregation Services (as defined in Section 7), may be offered or processed through service providers, which may be unaffiliated companies, or affiliates of Betterment. Unless otherwise noted, all authority granted to or limitations of liability of Betterment shall include its affiliates, agents, and representatives, as well as any service provider. Limited Client authorizes Betterment

and its agents or its affiliates acting on behalf of Betterment under this Limited Scope Agreement to perform the services contemplated by this Limited Scope Agreement.

LIMITED CLIENT WILL CAREFULLY READ, UNDERSTAND, AND ACCEPT THE TERMS AND CONDITIONS OF THIS LIMITED SCOPE AGREEMENT BEFORE ENTERING ELECTRONIC SIGNATURE. IF LIMITED CLIENT HAS ANY QUESTIONS ABOUT ANY OF THE PROVISIONS IN THIS LIMITED SCOPE AGREEMENT, LIMITED CLIENT WILL ADDRESS THEM WITH BETTERMENT BEFORE AGREEING TO IT. LIMITED CLIENT UNDERSTANDS THAT CLICKING OR TYPING LIMITED CLIENT'S NAME IN THE ELECTRONIC SIGNATURE FIELD IS THE LEGAL EQUIVALENT OF MANUALLY SIGNING THIS LIMITED SCOPE ADVISORY AGREEMENT AND LIMITED CLIENT WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS, INCLUDING THE ARBITRATION CLAUSE LOCATED AT SECTION 18. LIMITED CLIENT UNDERSTANDS THAT THIS LIMITED SCOPE AGREEMENT MAY BE AMENDED FROM TIME TO TIME BY BETTERMENT, WITH REVISED TERMS POSTED ON THE WEBSITE. LIMITED CLIENT AGREES TO CHECK THE WEBSITE FOR UPDATES TO THIS LIMITED SCOPE AGREEMENT. LIMITED CLIENT UNDERSTANDS THAT BY CONTINUING TO RECEIVE SIMPLE SERVICES AND MAINTAIN A PROFILE WITHOUT OBJECTING TO REVISED TERMS OF THIS LIMITED SCOPE AGREEMENT, LIMITED CLIENT IS ACCEPTING THE TERMS OF THE REVISED LIMITED SCOPE AGREEMENT AND WILL BE LEGALLY BOUND BY ITS TERMS AND CONDITIONS.

2. **DEFINITIONS.** The terms set forth below have the following meanings as used in this Limited Scope Advisory Agreement:

**Access Device.** A computer, a personal digital assistant ("PDA"), television, telephone, or any other communications device, including any software Limited Client uses on such device that enables Limited Client to access and use the Simple Services through any means, including the World Wide Web, the Internet, any wireless connection or any other computer or telephonic network.

**Account.** A brokerage account at Betterment Securities established in a Program client's name alone, in client's name together with others, or in which client has beneficial interest if the Account is an IRA, the Assets belonging to which are managed through the Program. For the avoidance of doubt, a 401(k) account in which a Program client participates through Betterment for Business shall not be an Account. Entry into this Limited Scope Agreement does not establish an Account.

**Advisory Agreement.** The agreement between Betterment and a Program client for provision of advisory services through the Program, in which such client agrees to enter into and abide by as a condition of participating in the Program and opening and maintaining an Account.

**Betterment.** Betterment LLC, an SEC-registered investment adviser located at 27 West 23<sup>rd</sup> Street, 6<sup>th</sup> Floor, New York, NY 10010. Also Betterment's officers, directors, employees, representatives, successors, assigns, and authorized agents. Betterment, its agents, service providers, or its affiliates acting on behalf of Betterment under the Limited Scope Advisory Agreement are authorized to perform the services

contemplated by the Limited Scope Advisory Agreement. For purposes of this Limited Scope Advisory Agreement, references to affiliates of Betterment include their respective officers, directors, employees, representatives, agents, successors, and assigns.

**Betterment Financial.** Betterment Financial LLC, a Delaware limited liability company with its principal office located at 27 West 23rd Street, 6th Floor, New York, NY 10010. Also Betterment Financial's officers, directors, employees, representatives, successors, assigns, and authorized agents.

**Betterment Securities.** MTG, LLC, a member broker-dealer of the Financial Industry Regulatory Authority, located at 27 West 23<sup>rd</sup> Street, 6<sup>th</sup> floor, New York, NY, 10010, doing business as Betterment Securities. Also Betterment Securities' officers, directors, employees, representatives, successors, assigns, and authorized agents.

**Brokerage Agreement.** The agreement between Betterment Securities and a Program client, in which such client agrees to enter into and abide by as a condition of participating in the Program and opening and maintaining an Account.

**Client Agreements.** The Advisory Agreement, Brokerage Agreement, and agreements and disclosures related thereto that govern the Program, the investment advisory relationship with Program clients and the Account with Betterment Securities, available on the Website at [www.betterment.com/customeragreement](http://www.betterment.com/customeragreement). For the avoidance of doubt, this Limited Scope Advisory Agreement is not part of the Client Agreements.

**Financial Consultant.** A person affiliated with Betterment who offers Supplementary Services to Limited Clients who receive Simple Services provided by Betterment from time to time.

**Interface.** The collection of tools, features, adjustments, inputs, and other controls within the Website which are provided to facilitate Simple Services and establish a Profile.

**Limited Client.** Individuals receiving Simple Services or Supplementary Services or accessing a Profile through the Interface who have entered into a limited scope advisory relationship with Betterment. An individual who is not logged into the Interface or not receiving Supplementary Services is not a Limited Client. For avoidance of doubt, a corporation or other entity, and the trustee, agent, representative, nominee or beneficiary of that entity is not a Limited Client.

**Losses.** Any and all loss, liability, cost, judgment, arbitration award, settlement, tax, penalty, action, damage, charge, expense, or fee (including attorneys' fees and costs of collection) of any nature whatsoever, and claims therefore.

**Password.** Any authentication device (including alphanumeric codes) associated with Limited Client's User ID that Betterment requires for access to the Profile (or certain Profile features) or services provided through the Website, and/or Interface.

**Profile.** The collection of personal and financial information described in Section 7 provided by Limited Client to Betterment in connection with Limited Client's receipt of Simple Services.

**Program.** The discretionary and non-discretionary investment advisory services provided by Betterment, as described in the Client Agreements. Also the brokerage, financial, and other services that Betterment Securities may offer and other investment management services from outside parties, which Betterment shall arrange to provide for Program clients.

**Simple Services.** The collection of non-discretionary goals-based financial advice, education services and investment tools described in Section 7(A) that Betterment offers to Limited Clients for the particular purpose specified by such Limited Client in the Interface.

**Supplementary Services.** The non-discretionary investment advisory services described in Section 7(B) that Betterment offers to Limited Clients through Advice Packages.

**User ID.** The alphanumeric code that uniquely identifies a Limited Client for purposes of accessing Simple Services in connection with their Profile.

**Website.** World Wide Web sites and mobile applications operated by Betterment; including [www.betterment.com](http://www.betterment.com), through which Simple Services are accessed and administered and, among other things, a Profile is established, accessed and updated by the Client and marketing information about additional services offered by Betterment, including the Program, is made available. The Interface is part of the Website.

3. *Terms and Conditions.* This Limited Scope Agreement sets forth the terms and conditions governing Simple Services and the limited scope of the relationship between Betterment and Limited Client. If Limited Client elects to participate in the Program and agrees electronically to the specific terms and conditions of the Client Agreements, this Limited Scope Agreement will terminate and the terms and conditions of the Client Agreements will replace and supersede the terms of this Limited Scope Agreement. If Limited Client agrees to the terms and conditions that govern any services offered by Betterment Financial, the provisions in this Limited Scope Agreement are in addition to the terms and conditions governing such services.
4. *True and Accurate Information.* The information that Limited Client provides to Betterment (including any Financial Consultant) as part of the Simple Services or Supplementary Services is incorporated into the Limited Scope Agreement. Limited Client attests that such information is or will be current, accurate, truthful, and complete. Betterment will not be required to independently verify any such information. Betterment shall rely on such information and cannot be held responsible for any recommendations based on inaccurate or incomplete information. Limited Client acknowledges that if Limited Client provides false, inaccurate, or incomplete information

to Betterment, the Simple Services or Supplementary Services may not match Limited Client's needs. Limited Client agrees to indemnify and hold Betterment and its affiliates harmless from and against any and all Losses arising out of or relating to Limited Client's failure to provide true and accurate information to Betterment or to update such information during the term of the Limited Scope Agreement.

5. *Service Not Available Outside the United States or to Non-Resident Aliens.* The products and services provided through Simple Services by Betterment and the Website are not being offered to, and are generally not available to, anyone located outside the 50 U.S. states, including U.S. citizens residing or working abroad. Betterment makes no representation or warranty regarding its compliance with local laws in foreign jurisdictions, or regarding the appropriateness of the Website's content or its compliance with such local laws. Limited Client agrees to terminate this Limited Scope Agreement upon a change in residency that would make Limited Client ineligible to receive the products and services provided under Simple Services. Betterment does not offer Simple Services to non-resident aliens who require a Form W-8 for tax-withholding.
6. *Method of Communication; Obligation to Check Website.* Limited Client agrees that the primary method of Betterment's communication with Limited Client in connection with the provision of Simple Services will be by posting information on servers accessible from the Website and, to the extent required by law, sending Limited Client a notice that directs Limited Client to the Website from which the information can be read and printed. Limited Client understands that Betterment reserves the right, however, to post Communications (as defined in the Consent to Electronic Delivery of Documents) on the Website without providing notice to Limited Client, send Communications to Limited Client's postal or electronic mail address of record or to another Access Device Limited Client has registered with Betterment. For any Limited Client receiving Supplementary Services, the methods by which the Supplementary Services will be delivered will be by telephone and/or email. Limited Client agrees that all Communications provided to Limited Client in any of the ways described above will be deemed to have been good and effective delivery to Limited Client when sent or posted by Betterment, regardless of whether Limited Client actually or timely receives or accesses the Communication.
7. *Simple Services; Supplementary Services.*

Limited Client is electing to enter into a limited relationship with Betterment to provide goals-based financial advice, education services and investment tools to Limited Clients for the particular purpose specified by such Limited Client in the Interface. Betterment agrees to provide the services described in this Limited Scope Agreement and this Section in particular on the terms and conditions described herein.

(A) Simple Services.

**General.** Simple Services are offered by Betterment primarily over the internet through the Website and Interface. Limited Client must be willing to receive Simple Services over the internet in order to use the services provided under this Limited Scope Agreement.

Betterment provides customer support over the telephone and internet for the purposes of technical support, but such support is educational in nature only.

**Profile.** Limited Clients may enter, view, and store personal and financial information in a Profile that is connected with a Limited Client's unique User ID and Password.

**Features.** Simple Services include financial goal identification, retirement planning and features that allow Limited Clients to simulate financial outcomes with various inputs as well as other services. Based on Limited Client's responses to certain specific financial questions, Simple Services provides advice and education services utilizing Betterment's investment methodology regarding goal-based asset allocation strategies. Among other things, Simple Services are intended to give Limited Clients an understanding of how a portfolio may grow and support stated financial goals.

**Synced Accounts.** In order for Betterment to learn more about Limited Client's financial circumstances, Betterment may offer financial account aggregation services via the Interface ("Aggregation Services"). Use of the Aggregation Services is completely voluntary and at Limited Client's option. As part of the Aggregation Services, Betterment, acting as your authorized agent, will retrieve certain financial account information, such as your account balances and holdings, from financial institutions you designate using a third-party service called Plaid ("Synced Accounts"). By using Plaid to connect a checking account as one of Limited Client's Synced Accounts, Limited Client acknowledges and agrees that Betterment will collect data about cash outflows from that account. Limited Client understands and agrees that use of Aggregation Services is subject to Plaid's terms and conditions, which may impose important limitations on the circumstances and degree of Plaid's liability. Limited Client understands and agrees that Betterment's recommendations and other services will not be based on Synced Accounts (or any financial accounts) except as specifically disclosed in the Interface.

Betterment is not responsible for and cannot guarantee the accuracy of information about Limited Client that Betterment receives from the Synced Accounts. Betterment may not be able to foresee or anticipate technical or other difficulties that may result in failure to obtain data from your voluntary use of the Aggregation Services. Except for Betterment's malfeasance or gross negligence, Betterment assumes no responsibility for the timeliness, accuracy, deletion, non-delivery or failure to store any user data, loss of user data, communications, or personalization settings. Limited Client shall confirm the accuracy of Synced Account data through sources independent of Betterment.

**Disclosures and Assumptions.** Simple Services are based solely on information provided by the Limited Client in response to specific questions, data based on Synced Accounts (if any), and the assumptions shown or selected with respect to each feature. Though we believe our assumptions to be reasonable, Client understands and agrees that assumptions involve uncertainties and are subject to change based on various factors and market conditions. Simple Services do not serve, either directly or indirectly, as legal or tax advice.

Limited Client acknowledges that Betterment will not have any ongoing supervision, monitoring, or reporting obligations related to Limited Client's Profile or Simple Services. Limited Client is solely responsible for updating and reviewing the Profile.

(B) Supplementary Services.

Betterment provides Limited Clients the opportunity to receive Supplementary Services. Limited Clients are able to schedule telephone consultations with a Financial Consultant who will provide personalized financial planning advice, including advice relating to debt, such as student loans and credit card debt, mortgages, savings, and retirement (including pensions and social security) advice that does not constitute legal advice or advice requiring licensure as a Certified Public Accountant (such advice collectively is referred to as "Supplementary Services" whether delivered via telephone consultation or another medium).

Limited Clients may elect to receive Supplementary Services through a package of financial planning advice ("Advice Package") for a fixed fee paid in advance. All available Advice Packages and prices are listed on the Website, at <https://www.betterment.com/advice-packages/>. Limited Client acknowledges and agrees that receipt of Advice Packages is subject to additional terms and conditions as set forth on the Website. Betterment reserves the right to offer Supplementary Services, in its discretion, at no charge.

Any tax information provided by Betterment is not a substitute for the advice of a qualified tax advisor. You should consult with your tax advisor to discuss tax-related concerns. In addition, Betterment may, in its sole discretion, offer any Limited Client non-discretionary Supplementary Services through email or telephone free of charge.

Betterment uses a team-based approach to providing Supplementary Services: if you receive Supplementary Services on multiple occasions, you are likely to interact with multiple Financial Consultants.

Limited Client is under no obligation to accept or follow any recommendations made by a Financial Consultant as part of the Supplementary Services, and neither Betterment nor the Financial Consultant will have any discretion over Limited Client's assets or accounts with respect to the implementation of such recommendations.

Limited Client acknowledges that the Financial Consultant who provides Supplementary Services to Limited Client is not an attorney or accountant, and no advice given to Limited Client through the Supplementary Services should be interpreted as legal or tax advice. Information provided by Limited Clients to Betterment's Financial Consultants will not typically be considered in the future provision of Simple Services unless Limited Client also enters such information into Betterment's Interface. In addition, certain financial topics, such as investments in real estate, may fall outside the scope of Simple Services or the Supplementary Services.



8. *Personal Information.* The respective rights and responsibilities of Betterment and Limited Client regarding the collection, processing, and use of Limited Client's personal information and Limited Client's rights to limit the use and disclosure of such information, are set forth in this Section 8 as well as the Betterment Privacy Policy, as amended from time to time. Such rights and responsibilities are further defined by applicable laws and regulations of national and state governments and international bodies. In the event of any controversy regarding Betterment's collection, use, processing, transfer, or receipt of any information about Limited Client, Limited Client agrees that remedies will be expressly limited to those specifically provided by the applicable laws and regulations, in accordance with this Limited Scope Advisory Agreement. If you use the Plaid services when signing up for Simple Services, you acknowledge and agree that the information you provide to Plaid through Betterment will be treated by Plaid in accordance with its privacy policy (located at <https://plaid.com/privacy> ), and by Betterment in accordance with Betterment's privacy policy. By using Plaid through Betterment, you agree to the above terms and further agree to hold Betterment harmless from Losses of any kind that may result from Plaid's use, misuse, or loss of your personal information and Account Information.

Betterment uses Plaid to provide the Aggregation Services. If Limited Client utilizes the Aggregation Services, Limited Client agrees that Limited Client will abide by Plaid Terms of Use for participating in the Aggregation Services. These terms may be seen at <https://plaid.com/legal/terms-of-use/> and may be amended from time to time.

9. *Limited Client Access Interruptions.* Limited Client understands that Betterment does not guarantee that access to the Website via the Interface will be available all the time. Betterment reserves the right to suspend access to Simple Services without prior notice for scheduled or unscheduled system repairs or upgrades. Further, access to the Website may be limited or unavailable due to, among other things: peak demand, systems upgrades, maintenance, hardware or software malfunction or failure, internet service failure or unavailability, the actions of any governmental, judicial, or regulatory body, and force majeure. Limited Client agrees that Betterment will not be liable to Limited Client for any Losses incurred by Limited Client resulting from such access limitations or unavailability.
10. *Disclosure Statement.* Limited Client hereby acknowledges receipt of a copy of Betterment's Wrap Fee Brochure available at [www.betterment.com/form-adv-part-2/](http://www.betterment.com/form-adv-part-2/), the Betterment Privacy Policy available at [www.betterment.com/security/privacypolicy/](http://www.betterment.com/security/privacypolicy/), and other disclosing documents provided to Limited Client at the time this Limited Scope Advisory Agreement is made.
11. *Term.* This Limited Scope Agreement may be terminated at any time by either party for any reason upon written notice to the other party in accordance with this Section 11. Termination by Limited Client is effective upon receipt by Betterment of Limited Client's written electronic notice of intent to terminate. For the purposes of this Section 11, "Limited Client's written electronic notice of intent to terminate" shall mean Limited

Client's election to close Limited Client's Profile with Betterment as such action is provided within the Interface. Termination by Betterment is effective on the date of written electronic notice to the Limited Client, unless a later date is stated in the notice. The terms and conditions of this Limited Scope Agreement will survive the close of the Profile and will continue to apply to any disputed or other remaining matters involving Limited Client's relationship with Betterment. If Limited Client should re-open its Profile at a date subsequent to closing its Profile and terminating this Limited Advisory Agreement, Limited Client agrees to be bound by the Limited Scope Agreement in effect at the time Limited Client re-opens its Profile.

12. *Security.* When Limited Client accesses the Website using an up-to-date version of third-party web browser (such as the most recent version of Microsoft Edge, Firefox, Chrome, or Safari) that is compatible with industry standard encryption, Betterment's security systems automatically protect Limited Client's communications through server authentication and data encryption.
13. *Limitation.* Limited Client understands and agrees that investment results Limited Client could obtain by relying on advice provided through Simple Services cannot be guaranteed and that Betterment is not responsible for any investment results. Investment tools provided by within the Interface, whether or not through Simple Services, are not a guarantee of performance and Betterment does not guarantee or make any warranty of any kind, express or implied, regarding the projections or recommendations generated by the investment tools. Limited Client understands and agrees that Limited Client is responsible for all Losses (including lost opportunity or profits) arising from or related to the Simple Services, including those relating to discrepancies between projections and actual performance. As with Betterment's services more generally, Simple Services are not designed to provide you with a comprehensive financial plan. Except for negligence or malfeasance or violation of applicable law, Limited Client agrees that Betterment and its respective officers and employees shall not be liable hereunder for any action performed or omitted to be performed or for any errors of judgment in providing Simple Services or Supplementary Services. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which Limited Client may have under federal or state securities laws. In addition, it is possible that a Limited Client or Betterment itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Betterment's software based financial advisory service. Betterment and its representatives are not responsible to any Limited Client for Losses unless caused by Betterment breaching its fiduciary duty.
14. *General and Miscellaneous Provisions and Disclosures.*
  - a. Limited Client represents and confirms that Limited Client has full power and authority to execute, deliver, enter into, and perform Limited Client's obligations under this Limited Scope Advisory Agreement. Limited Client represents that Limited Scope Agreement has been duly authorized, executed,

and delivered by Limited Client and is the legal, valid, and binding agreement of Limited Client, enforceable against Limited Client in accordance with its terms, and that the terms of this Limited Scope Agreement do not violate any obligation by which the Limited Client is bound, whether arising by contract, operation of law, or otherwise.

- b. Limited Client shall advise Betterment immediately of any event that might affect this authority or the binding effect of this Limited Scope Agreement.
- c. Limited Client understands that this Limited Scope Agreement will be deemed to have been made in the State of New York. To the extent not inconsistent with Federal law, this Limited Scope Agreement shall be governed by and construed in accordance with the laws of New York, and in compliance with the Investment Advisers Act of 1940. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of rights which Limited Client may have under federal and state securities laws.
- d. If any provision of this Limited Scope Agreement is held to be invalid, void, or unenforceable by reason of any law, rule, administrative order or judicial decision, that determination will not affect the validity of the remaining provisions of this Limited Scope Agreement.
- e. Except as specifically permitted in this Limited Scope Agreement, no provision of the Limited Scope Agreement can be, nor will it be deemed to be, waived, altered, modified, or amended unless agreed to in writing signed by an authorized officer of Betterment.
- f. Betterment may amend this Limited Scope Agreement by modifying or rescinding any of its existing provisions or by adding new provisions. Any such amendment shall be effective as of the time Betterment has notified Limited Client in writing of any change or such later date as Betterment may establish. Limited Client understands that the normal method of notifying Limited Client of modifications to the Limited Scope Agreement will be to post the information on the Website. Limited Client understands that by not closing and/or continuing to use Simple Services, Limited Client confirms Limited Client's agreement to abide by the Limited Scope Agreement, as amended from time to time. Limited Client also agrees that Betterment may change the Service at any time and that it is not obligated to provide Limited Client with notice of such a change.
- g. In addition to the terms in this Agreement, when using products, services or features on the Website and Interface, Limited Client shall be subject to any additional posted guidelines, disclosures, methodology documents, or requirements applicable to such product, service or feature, which may be

posted and modified from time to time. All such additional terms are hereby incorporated by reference into this Limited Scope Agreement.

- h. Betterment's failure to insist on strict compliance with this Limited Scope Agreement or any other course of conduct on Betterment's part will not be deemed a waiver of Betterment's rights under this Limited Scope Advisory Agreement.
- i. The parties hereby acknowledge and agree that this Limited Scope Agreement alone, and the other documents agreed to and delivered in connection with becoming and continuing to be a Limited Client, constitutes the final understanding between the parties with respect to all matters contained herein. This Limited Scope Agreement, all other written agreements and terms contained on statements and confirmations contain the entire understanding between Betterment and Limited Client. Betterment may not assign its rights and duties under this Limited Scope Advisory Agreement to any of its successors, subsidiaries, affiliates, or any other entity without obtaining Limited Client's consent. Limited Client will be deemed to have consented to Betterment assigning its rights and duties under this Limited Scope Agreement if after receiving adequate written electronic notice of a proposed assignment Limited Client does not serve notice of objection to Betterment. Limited Client may not assign the rights and obligations under this Limited Scope Advisory Agreement without first obtaining the prior written consent of Betterment. Any purported assignment in violation of this Limited Scope Agreement will be void.
- j. This Limited Scope Agreement will pass to the benefit of Betterment and its successors, assigns, and agents. In addition, Limited Client hereby agrees that this Limited Scope Agreement and all the terms hereof, will be binding on Limited Client's heirs, executors, administrators, personal representatives, and any assigns permitted by Betterment.
- k. The heading of each provision of this Limited Scope Advisory Agreement is for descriptive purposes only and will not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.
- l. Limited Client understands and agrees that Betterment may in its discretion, but is not obligated to, monitor or record any of Limited Client's telephone conversations with Betterment for quality control and regulatory compliance purposes and for its own protection. Betterment may also monitor and make a record of Limited Client's use of Services and any other communications between Betterment and Limited Client and may use the resulting information for internal purposes or as may be required by applicable law. Unless otherwise agreed in writing, Betterment does not consent to the recording of telephone conversations by any third party or Limited Client. Limited Client acknowledges and understands that not all telephone lines or calls are recorded by

Betterment and Betterment does not guarantee that recordings of any particular telephone calls will be retained or capable of being retrieved.

15. **Electronic Signatures.** Limited Client's intentional action in electronically signing this Limited Scope Agreement is valid evidence of consent to be legally bound by this Limited Scope Agreement and by other documentation submitted in the signup process for Simple Services or Supplementary Services, or governing Limited Client's relationship with Betterment. Limited Client acknowledges that Limited Client may access and retain a record of the documents that Limited Client electronically signs through the link to the location on the Interface presented when Limited Client signs up to receive Simple Services or Supplementary Services. Limited Client is solely responsible for reviewing and understanding all of the terms and conditions of these documents. Limited Client accepts as reasonable and proper notice, for the purpose of any and all laws, rules and regulations, notice by electronic means, including the posting of modifications to this Limited Scope Agreement on the Interface. The electronically stored copy of this Limited Scope Agreement is considered to be the true, complete, valid, authentic, and enforceable record of the Limited Scope Agreement, admissible in judicial or administrative proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. Limited Client agrees to not contest the admissibility or enforceability of Betterment's electronically stored copy of the Limited Scope Agreement in any proceeding arising out of the terms and conditions of the Limited Scope Agreement.
16. **Electronic Delivery of Documents.** Limited Client acknowledges receipt and acceptance of the "Consent to Electronic Delivery of Documents from Betterment" which is attached hereto. All written notices to any party under this Limited Scope Agreement shall be sent to such party in electronic form either through applicable means of the Interface or through designated email addresses, or such other address as such party may designate in writing to the other. Limited Client is responsible for maintaining a valid email address and software and hardware to receive, read and send email. Limited Client hereby agrees to provide Betterment with a current email address and promptly notify Betterment of any changes to his or her email address in his or her Profile on the Interface or the Website.
17. **Complaints.** Formal written complaints about your Betterment account may be directed to Betterment at [support@betterment.com](mailto:support@betterment.com) or by mail at 8 West 24<sup>th</sup> Street, 6<sup>th</sup> Floor, New York, NY 10010.
18. **ARBITRATION AGREEMENT AND DISCLOSURE.**
  - a. **Required Arbitration Disclosures.** This Limited Scope Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:
    - i. All parties to this Limited Scope Agreement are giving up the right to sue each other in court, including the right to a trial by jury, and the right to

- litigate on a class basis, except as provided by the rules of the arbitration forum in which a claim is filed.
- ii. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
  - iii. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
  - iv. 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 20 days prior to the first scheduled hearing date.
  - v. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
  - vi. 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.
  - vii. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.
- b. Limited Client agrees to resolve by binding arbitration any controversy that may arise between Betterment and Limited Client relating in any way to this Limited Scope Agreement, Limited Client's relationship with Betterment, or any service provided by Betterment to Limited Client. This arbitration agreement includes any controversy involving the performance, construction, or breach of this Limited Scope Agreement or any other written agreement between Betterment and Limited Client.
- c. Such arbitration shall be conducted before FINRA and in accordance with the arbitration rules and regulations then in effect at FINRA. Any party may initiate arbitration by filing a written claim with FINRA. If arbitration before FINRA is unavailable or impossible for any reason, then such arbitration will be conducted under the auspices of JAMS pursuant to its Arbitration Rules and Procedures. The arbitration shall be conducted by a retired judge who is experienced in resolving disputes regarding the Securities business. The parties agree that the arbitration shall apply the substantive law of New York to all state law claims, that limited discovery shall be conducted in accordance with JAMS's Arbitration Rules and Procedures, and that the arbitrator may not award punitive or exemplary damages, unless (but only to the extent that) such damages are required by statute to be an available remedy for any of the specific claims asserted. In accordance with JAMS's Arbitration Rules and Procedures, the arbitrator's award shall consist of a written statement as to

the disposition of each claim and the relief, if any, awarded on each claim. The award shall not include or be accompanied by any findings of fact, conclusions of law, or other written explanations of the reasons for the award. The parties understand that the right to appeal or to seek modification of any ruling or award by the arbitrator is severely limited under state and federal law.

- d. Federal and state statutes of limitation, repose, and/or other rules, laws, or regulations impose time limits for bringing claims in federal and state court actions and proceedings. The parties agree that all federal or state statutes of limitation, repose, and/or other rules, laws, or regulations imposing time limits that would apply in federal or state court, apply to any dispute, claim or controversy brought under this Agreement, and such time limits are hereby incorporated by reference. Therefore, to the extent that a dispute, claim, or controversy arises under this Agreement and would be barred by a statute of limitation, repose or other time limit, if brought in a federal or state court action or proceeding, the parties agree that such dispute, claim, or controversy shall be barred in an arbitration proceeding.
- e. Any award of the arbitrator or a majority of the arbitrators will be final and binding, and judgment on such award may be entered in any court having jurisdiction. This arbitration provision will be enforced and interpreted exclusively in accordance with applicable federal laws of the United States, including the Federal Arbitration Act. Any costs, attorneys' fees or taxes involved in confirming or enforcing the award will be fully assessed against and paid by the party resisting confirmation or enforcement of said award.
- f. To the extent permitted by law, the parties to this Limited Scope Agreement agree that each may assert claims against the other only in an individual capacity, and not as a class representative or class member in any putative class action, representative action, or class-wide arbitration. The parties agree that no individual claims in arbitration shall be consolidated or combined without the consent of all parties.
- g. This agreement to arbitrate does not constitute a waiver of your right to seek a judicial forum where such waiver would be void under federal or applicable state securities laws.
- h. Limited Client agrees to the provisions described above and the following additional provisions, regardless of whether Limited Client is or is not residing in the United States at the time a controversy arises between Betterment and Limited Client:
  - i. Limited Client agrees that any arbitration hearing will be held in New York, New York unless otherwise agreed between Betterment and

Limited Client in a signed writing or unless FINRA designates another hearing location;

- ii. Limited Client agrees to the personal jurisdiction of the courts located in the State of New York, U.S.A, to interpret and enforce these arbitration provisions described in this Limited Scope Advisory Agreement; and
- iii. All arbitrations will be held in the English language, unless otherwise agreed to by the parties.

- i. Limited Client makes this arbitration agreement on behalf of Limited Client and Limited Client's heirs, administrators, representatives, executors, successors, assigns, and together with all other persons claiming a legal or beneficial interest in the Profile.

**NOTE: CLIENT ACKNOWLEDGES RECEIPT OF A COPY OF THIS ADVISORY AGREEMENT, INCLUDING THE ARBITRATION CLAUSE LOCATED AT SECTION 18 OF THIS ADVISORY AGREEMENT.**



## ATTACHMENT

### CONSENT TO ELECTRONIC DELIVERY OF DOCUMENTS

1. *Consent to Electronic Delivery.* Betterment LLC ("Betterment") serves Limited Client as an electronic-based investment adviser providing limited investment advice and educational tools. By becoming a participant in Simple Services, creating a Profile, and agreeing to the terms and conditions of the Website, Limited Client agrees to receive all Communications (defined below) from Betterment via the World Wide Web or e-mail. By agreeing to electronic delivery Limited Client is giving informed consent to electronic delivery of all Communications. "Communications" mean all current and future notices, disclosures, regulatory communications (including prospectuses, proxy solicitations and privacy notices), and other information, documents, data and records regarding the Limited Client's Profile and all services provided by Betterment (including amendments to Limited Scope Advisory Agreement) delivered or provided to Limited Client by Betterment.
2. *Revocation of Consent.* Limited Client may revoke or restrict consent to electronic delivery of Communications at any time, subject to the terms of the Limited Scope Advisory Agreement, by notifying Betterment in writing or by phone of intention to do so. Limited Client also has the right to request paper delivery of any Communication that the law requires Betterment to provide Limited Client in paper form. Limited Client understands that, the foregoing fee disclosures notwithstanding, if Limited Client revokes or restricts consent to electronic delivery of Communications or requests paper delivery, Betterment, at its discretion, may charge Limited Client a reasonable service fee for the delivery of Communications that would otherwise be delivered to Limited Client electronically, restrict the Account, or close the Account and terminate access to Simple Services or Service. Neither Limited Client's revocation or restriction of consent, Limited Client's request for paper delivery, nor Betterment's delivery of paper copies of Communications will affect the legal effectiveness or validity of any electronic communication provided while Limited Client's consent was in effect.
3. *Electronic Delivery System.* Betterment will deliver Communications by making them available via the Interface. If required by applicable law or rules, Betterment will notify Limited Client by e-mail when Communications are posted on the Interface. Such notification may be sent directly by Betterment, by Betterment Securities via Betterment email systems and addresses, or by Betterment on behalf of Betterment Securities. Limited Client will have access through the Interface to an archive of all documents Limited Client received via electronic delivery for at least the current year. Limited Client may obtain copies of earlier documents on request. All e-mail notifications of Communications will be sent to Limited Client's e-mail address of record. Limited Client is responsible for maintaining a valid email address and software and hardware to receive, read, and send email. Limited Client hereby agrees to provide Betterment with a current email address and promptly notify Betterment of any changes to his or her email address in his or her Profile on the Interface or the Website.

4. *Network Security and Reliability.* Limited Client acknowledges that the Internet is not a secure network and that communications transmitted over the Internet may be accessed by unauthorized or unintended third parties. E-mail notifications sent by Betterment will not contain sensitive or confidential customer information, including account numbers. Due to security risks, Limited Client will not send any sensitive information, such as account numbers or Passwords, in an unencrypted e-mail. E-mails on rare occasions may fail to transmit properly. Regardless of whether Limited Client receives an e-mail notification, Limited Client agrees to check the Interface regularly for up-to-date information and to avoid missing time-sensitive information. Limited Client agrees that, for Limited Client's records, Limited Client can download and save or print the Communications Limited Client received via electronic delivery.
5. *Method of Communication.* Limited Client acknowledges agreement to the Method of Communication provisions of the Limited Scope Advisory Agreement, Section 6.
6. *Review of Communications.* Limited Client agrees to promptly and carefully review all Communications as and when delivered and if Limited Client objects to the information provided notify Betterment via email to Betterment within five (5) days of delivery or within such other applicable time frame as a communication may denote. Betterment are entitled to treat such information as accurate and conclusive unless Limited Client objects via email within five (5) days of delivery. Email address(es) to which Limited Client directs any objections will be designated by Betterment, in its sole discretion. Designated email address(es) will be listed on Communications and/or on the Website and may be Betterment email accounts which are routed to Betterment Securities.
7. *Duration of Consent.* This consent will be effective immediately and will remain in effect unless and until either Limited Client or Betterment revokes it. Limited Client understands that it may take up to three (3) days to process a revocation of consent to electronic delivery, and Limited Client may receive electronic notifications in the interim.
8. *Costs.* Potential costs associated with electronic delivery of Communications include charges from Internet access providers and telephone companies, and such charges are borne by Limited Client. Betterment does not charge Limited Client additional online access fees for receiving electronic delivery of Communications.
9. *Hardware or Software Requirements.* Limited Client understands that to receive electronic deliveries, Limited Client must have Internet access, a valid e-mail address, the ability to download and have ongoing access to such applications as Betterment may specify and a printer or other device to download and print or save any information Limited Client may wish to retain. Betterment will notify Limited Client of any changes in the hardware and software requirements needed to access electronic records covered by this consent.
10. *Consent and Representations.* Limited Client hereby agrees that Limited Client has carefully read the above information regarding informed consent and fully understands the implications thereof. Limited Client hereby agrees to the conditions outlined above

concerning electronic delivery of Communications. Limited Client also agrees that Limited Client will maintain a valid e-mail address and continue to have access to the Internet. If Limited Client's e-mail address changes, Limited Client agrees to notify Betterment of the new e-mail address immediately via the Interface.

## **SUMMARY OF BUSINESS CONTINUITY PLAN**

SEC and FINRA Rules require investment advisers and broker-dealers to create and maintain a business continuity plan.

In accordance with these rules Betterment LLC and Betterment Securities have both developed a plan that is intended to permit us to continue critical business operations during natural disasters, power outages or other significant events.

Betterment LLC is an SEC Registered Investment Adviser. Betterment Securities is an SEC registered broker-dealer and member of FINRA and SIPC.

While there can be no assurance that service will continue without interruption in all circumstances, the plans do address the actions that the firms will take in the event that there is a significant disruption. Account access for Clients participating in the Program is planned to be restored as the first step, which would be followed by other critical business operations.

If there is a local disruption to the operating facilities of either firm, the respective business continuity plans call for the affected firm to establish operations from an alternate location.

We maintain data backup records, located well away from our primary facility so that they would not be affected by a regional disruption. We intend for account access for Clients participating in the Program to be available through these records should the primary data center suffer a disruption. Our plan will be reviewed, updated and tested periodically.