

# Merrill Edge<sup>®</sup> Self-Directed SIMPLE IRA Retirement Account

## Account Application Booklet and Agreements

**Return your completed application form along with the additional documents.**

You may return via standard or express delivery or via fax.

**By Standard Mail:**

Merrill  
New Account Support  
MSC NJ2-140-02-15  
P.O. Box 1501  
Pennington, NJ 08534

**By Express Delivery:**

Merrill  
New Account Support  
MSC NJ2-140-02-15  
1400 American Boulevard  
Pennington, NJ 08534

**By Fax:**

New Account Support  
866.214.1649

Merrill Edge<sup>®</sup> Self-Directed is available through Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation ("BoFA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, Member [SIPC](#) and a wholly owned subsidiary of BoFA Corp.

Investment products:

**Are Not FDIC Insured**

**Are Not Bank Guaranteed**

**May Lose Value**

# Merrill Edge® Self-Directed SIMPLE IRA Retirement Account

A SIMPLE IRA provides an easy way for small businesses (fewer than 100 employees) and sole proprietors to offer a tax-deferred retirement plan.

Only U.S. residents can apply for a Merrill Edge® Self-Directed investing account.

## Instructions

Please provide/complete the following:

- Employer Information.....3
- Name and Address Disclosure .....3
- Individual Customer Information..... 3–5
- Beneficiary Information.....6
- Tax Certification and Acknowledgment.....6

## Additional Required Documents

Depending on services requested, additional documents may be required.

## Table of Contents

### Account Application:

<b>I. Employer Information .....</b>	<b>3</b>
<b>II. Name and Address Disclosure .....</b>	<b>3</b>
<b>III. Individual Customer Information .....</b>	<b>3</b>
A. Identification and Contact Information.....	3
B. Citizenship and Passport Information .....	3
C. Employment Information .....	4
D. Affiliation Information.....	4
E. Financial Information.....	5
<b>IV. Beneficiary Information .....</b>	<b>6</b>
A. Primary Beneficiary(ies) .....	6
B. Contingent Beneficiary(ies) .....	6
<b>V. Tax Certification and Acknowledgment.....</b>	<b>6</b>

## Additional Enclosed Documents

Employers Adoption Agreement

Employer Notice and Salary Reduction Agreement

## Agreements and Disclosures

Merrill Lynch Self-Directed Investing Client Relationship Agreement

Merrill Lynch Self-Directed Investing Terms of Service

SIMPLE Retirement Account Plan Document

Employer's Administration Guide

SIMPLE Retirement Account/Individual Retirement Account

SRA/IRA Disclosure and Custodial Agreement

Merrill E-Contribs for Small Business Retirement Accounts

## Customer Information and Due Diligence

Merrill, like all U.S. financial institutions, is required to follow federal regulations to assist the government in its efforts to fight money laundering and other financial crimes, and to counter terrorist financing efforts in the U.S. and globally. Merrill obtains specific personal information from you in order to verify your identity; and you may be required to present documentary evidence of your identity in the form of government-issued identification. Merrill also uses third-party vendors to verify customer information. Foreign nationals who are permanent legal residents of the U.S. may be required to present a Permanent Resident Card (i.e., "green card") and a Social Security number to open an account in a U.S.-based Merrill office. Non-individuals (e.g., a business, trust or estate) must submit sufficient evidence of legal status.

In addition to verifying the identity of our customers, Merrill captures personal information on all customers and related authorized parties who have the ability to transact, control, influence or manage an account, whether directly or indirectly. Merrill, at its discretion, may elect not to accept an account, or to terminate the account agreement and the account agreements of any related parties.

# SIMPLE IRA Account Application

Account Number:    -

## Instructions

Please complete the employer information and individual customer information.

**Note:** If your residence changes (for example, you move to another country or spend most of your time outside of the United States), Merrill will not be able to maintain your account. You will be required to close the account.

## Instructions

Additional documents are required for Resident Aliens:

**U.S. Permanent Residents:** Please submit copies of passport and green card with application.

**U.S. Temporary Residents:** Please submit copies of passport, arrival/departure record (I-94), proof of extension of stay/renewal and employment authorization documentation with application.

## I. Employer Information

### Name of Employer:

Federal Tax/Employer Identification Number (EIN):

-

Calendar Year      Fiscal Year

Indicated Month and Day

if operating on a Fiscal Year: \_\_\_\_\_

### Business Address

Street (Line 1)

Street (Line 2)

City

State

ZIP

Business Phone Number

## II. Name and Address Disclosure

Do you authorize Merrill to disclose your name, address and securities positions to corporate issuers under an SEC rule designed to permit issuers to communicate directly with non-objecting owners?      Yes      No

## III. Individual Customer Information

### A. Identification and Contact Information

Name (First, Middle, Last)

Social Security Number (SSN)

-   -

Date of Birth

Home Phone Number

Work Phone Number

Email Address

### Permanent Residential Address (No P.O. Boxes)

Street (Line 1)

Street (Line 2)

City

State

ZIP

### Mailing Address (if different from residential)

Street (Line 1)

Street (Line 2)

City

State

ZIP

### B. Citizenship and Passport Information

Is your primary residence in the United States?

Yes      No

Are you a U.S. citizen?

Yes      No

If you are a foreign citizen or dual citizen, please complete the following information.

Country of Citizenship

### Passport Type

Standard Passport

Military Passport

Diplomatic Passport

Other: \_\_\_\_\_

Visa/Green Card ID Number

Passport Number

Place of Issuance

Place of Issuance

Date Issued

Expiration Date

Date Issued

Expiration Date

III. Individual Customer Information (continued)

C. Employment Information

Employment Status

Employed/Not Owner

Business Owner

Not Employed

Student

Retired

Name of Employer (previous if Retired or Not Employed)

Start Date

Employer Address

Street (Line 1)

Street (Line 2)

City

State

ZIP

Occupation (Please see page 7 for a list of industries)

Explain if Miscellaneous

Industry (Please see page 7 for a list of industries)

Explain if Miscellaneous

D. Affiliation Information

1. Are you, your spouse or another member of your household employed by Merrill, Bank of America and its affiliates, a Broker-Dealer, Self-Regulatory Organization or another financial institution?

Yes

No

If yes, Relationship: 

Self

Spouse

Member of Household

Merrill Lynch, Pierce, Fenner & Smith

Bank of America Corporation

Self-Regulatory Organization

Broker-Dealer

Other Financial Institution

Name of Institution:

Name of Person Affiliated with Institution:

2. Are you a director, 10% shareholder or someone who has the ability to control corporate action or policy of a public company?

Yes

No

If yes, please complete the following:

Company Name

Symbol

Instructions  
If required, please submit a 407 letter with your application.

Page 4 | Merrill Edge Self-Directed SIMPLE IRA Account Application

Code 423210PM-0325

III. Individual Customer Information (continued)

E. Financial Information	
<b>Marital Status</b>	<b>Source of Income</b>
Single	Employment Income
Married	Household/Family Income
Separated	Inheritance/Trust
Divorced	Investment Income
Widowed	Retirement Income
Domestic Partner	Social Security
	Unemployment Income
Number of Dependents: _____	Other
Household Annual Income: _____	If Source of Income Is Other, explain:
Household Net Worth: _____	_____
Investable Assets: _____	<b>Source of Wealth</b>
Years of Investing Experience: _____	Income from the Client's Own Business or Sale of Business
<b>Trading Experience</b>	Income from Employment and/or Bonuses
Cash      Margin      None	Insurance Benefits
<b>Product Experience (including current investments): Select all that apply</b>	Inheritance or Family, Gift, Trust Proceeds
Bonds	Lottery or Casino Winnings
Derivatives	Professional Venture Capital Investors, Private Equity Investors
Equities	Securities Investing
ETFs	Compensation Payment/Legal Settlement
Hedge Funds	Other Income (e.g., alimony, divorce settlement)
Market-Linked Investments	Donations, Grants, Endowments (e.g., Foundations, Family, Private, Public)
	Charitable Trust
	Sale of Real Property
	Household Wealth (e.g., spouse, minors, financial dependents)

Beneficiary Instructions

You can name one or more primary and contingent beneficiaries. Designating a beneficiary has important tax consequences. We urge you to consult your attorney or tax advisor before completing this section. If the beneficiary is a trust, provide the names of the trustees, the date of the trust and the trust's tax identification number. Any balance left in your account at your death will be paid to the primary beneficiaries in accordance with the share percentages you designate. If you designate multiple beneficiaries, please be sure to designate the percentage each is to receive and be sure that the percentage totals 100%. If a primary beneficiary should predecease you, and there are other primary beneficiaries who are still living, the deceased beneficiary's share will be distributed to the remaining primary beneficiary or the remaining primary beneficiaries in proportion to their payment percentages. If no primary beneficiary is living at the time of your death, the balance will be distributed to your contingent beneficiaries under the same rules. If a contingent beneficiary should predecease you, and there are other contingent beneficiaries who are still living, the deceased beneficiary's share will be distributed to the remaining contingent beneficiary or the remaining contingent beneficiaries in proportion to their payment percentages. If no primary or contingent beneficiaries survive you, or if no beneficiary designation is in effect at your death, the balance will be paid to your spouse. If you are not survived by a spouse, we will pay the balance to your estate.

You can change your beneficiary designation at any time and as often as you wish. Such designations must be in writing and are not effective unless and until we receive them. Please contact us for the appropriate document (code 1217).

If your beneficiary designation includes per Stirpes or per Capita provisions, please complete the Beneficiary Designation Form (code 1217) and submit along with this application.

IV. Beneficiary Information

A. Primary Beneficiary(ies)

I hereby designate the person(s) named below as primary beneficiary(ies) to receive payment of the balance of my account upon my death.

Name	Date of Birth	SSN or EIN	Check if EIN	Relationship	Share %
					+
					+
					= 100%

B. Contingent Beneficiary(ies)

If there is no primary beneficiary living at the time of death, I hereby specify that the balance is to be distributed to my contingent beneficiary(ies) listed below:.

Name	Date of Birth	SSN or EIN	Check if EIN	Relationship	Share %
					+
					+
					= 100%

V. Tax Certification and Acknowledgment

Under penalties of perjury, I certify: 1. that the taxpayer identification number I have shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. that I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest and dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. that I am a U.S. person (including a U.S. resident alien), and 4. that the Foreign Account Tax Compliance Act (FATCA) code entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. You must cross out item (2.) above if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return.

**BY SIGNING BELOW, I AGREE TO THE MERRILL EDGE SELF-DIRECTED CASH MANAGEMENT ACCOUNT DISCLOSURES AND ACCOUNT AGREEMENT, THE TERMS OF THE MERRILL EDGE SELF-DIRECTED INVESTING CLIENT RELATIONSHIP AGREEMENT AND MERRILL EDGE SELF-DIRECTED INVESTING TERMS OF SERVICE AND:**

1. THAT, IN ACCORDANCE WITH SECTION 12, PAGE 5 OF THE MERRILL EDGE SELF-DIRECTED INVESTING CLIENT RELATIONSHIP AGREEMENT, I AM AGREEING IN ADVANCE TO ARBITRATE ALL CONTROVERSIES THAT MAY ARISE BETWEEN ME AND MERRILL;

2. THAT I HEREBY ACKNOWLEDGE THAT I AM OF LEGAL AGE UNDER THE LAWS OF MY PLACE OF RESIDENCE;

3. THAT I ACKNOWLEDGE AND UNDERSTAND THAT NON-DEPOSIT INVESTMENT PRODUCTS ARE PROVIDED BY MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED ("MLPF&S"), A REGISTERED BROKER-DEALER AND WHOLLY OWNED SUBSIDIARY OF BANK OF AMERICA, AND THAT INVESTMENT PRODUCTS OFFERED THROUGH MLPF&S AND INSURANCE AND ANNUITY PRODUCTS OFFERED THROUGH ITS SUBSIDIARY, MERRILL LYNCH LIFE AGENCY INC. (i) ARE NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY, (ii) ARE NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, ISSUED OR UNDERWRITTEN BY BANK OF AMERICA, N.A. OR ANY OF ITS BANK AFFILIATES, (iii) ARE SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED, AND (iv) ARE NOT A CONDITION TO ANY BANKING SERVICE OR ACTIVITY;

4. THAT I AFFIRMATIVELY CONSENT TO HAVING MY AVAILABLE CASH BALANCES DEPOSITED OR INVESTED THROUGH THE SWEEP PROGRAM, IN ACCORDANCE WITH SECTION 14 OF THE MERRILL EDGE SELF-DIRECTED INVESTING CLIENT RELATIONSHIP AGREEMENT AND THAT I UNDERSTAND THAT I MAY DISCUSS WITH THE INVESTMENT CENTER OTHER OPTIONS THAT ARE AVAILABLE FOR ME TO INVEST CASH, INCLUDING OTHER CASH MANAGEMENT PRODUCTS;

5. VERMONT LAW REQUIRES THE FOLLOWING: I AUTHORIZE MERRILL AND ITS AFFILIATES TO REQUEST A CONSUMER REPORT OR CREDIT REPORT ABOUT ME FROM ONE OR MORE CONSUMER REPORTING AGENCIES TO VERIFY THE INFORMATION PROVIDED IN THIS SIMPLE IRA ACCOUNT APPLICATION AND FOR ANY OTHER LEGITIMATE BUSINESS PURPOSES; AND

6. THAT I ACKNOWLEDGE THAT I HAVE RECEIVED THE FORM CLIENT RELATIONSHIP SUMMARY.

THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE MY CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

Signature	Date	Title/Role
FOR MERRILL INTERNAL USE ONLY:		FA/PC Code: 1001
Manager Signature	Date	

## Principal Line of Business

Accounting	Import/Export Company
Advertising/Public Relations	Internet Gambling Concerns
Agriculture/Forestry/Fishery	Introducing Broker
Architecture/Surveying/Urban Planning	Investment Banker
Arms/Munitions Manufacturers, Distributors and Wholesalers	Jeweler, Gem & Precious Metal Dealer, Distribution and Wholesale Companies
Art/Antiquity Dealer	Lawyer/Judge
Auctioneer	Leather Goods Store
U.S. Armed Forces	Marketing/Sales
Banking	Miscellaneous
Brokerage/Securities/Investments	Money Transmitters/Money Service Businesses
Casino & Card Clubs	New/Used Auto, Boat, Plane, and Machine Parts
Cash Intensive Business	Non-U.S. Armed Forces
Charitable Foundation and Non-Governmental Organization	Non-U.S. Govt/Non-U.S. Govt Agency
Check Cashing & Deposit Taking Facilities	Pawnbroker
Civil Service	Phone Card Retailer/Wholesaler
Computers/Info Systems	Physician/Surgeon
Construction/Contracting	Privately Owned ATM Companies
Consulting	Private Equity
Currency Dealer or Exchanger	Real Estate/Property Management Firm
Defense Contractors	Religious Worker
Deposit Broker	Research/Development
Dentistry	Scrap Metal Dealers
Economics	Ship/Bus/Plane Operator
Embassies/Consulates	Social Services
Engineering	Sports/Recreation
Estate Planning/Trust/Taxation	Support Staff/Clerical/Admin. Support
Executive/Administration/Management	Teacher/Librarian/Counselor
Finance/Venture Capital	Telemarketer
Food/Beverage/Lodging Services	Technician
Foreign Services	Transportation/Travel
Futures Commission Merchant	Travel Agency
Health Services (Nursing/Pharmacology)	Venture Capital
Hedge Fund	Visual/Performing Arts
Human Resources	Used Automobile or Truck Dealer







Click on the highlighted links below for supplemental materials or go to ml.com/relationships and merrilledge.com/relationships.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill or we) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser. We are a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (www.sipc.org). Our subsidiary Managed Account Advisors LLC (MAA) is also an SEC-registered investment adviser.

You can access free and simple tools to research firms and financial professionals at investor.gov/CRS. It provides educational materials about broker-dealers, investment advisers and investing. We offer both brokerage and investment advisory services. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences.

You choose how you want to work with us:

Three columns describing work options: Work with your dedicated Advisor or Merrill Financial Solutions Advisor, Work with Financial Solutions Advisors, and Work on a Self-Directed Basis.

This Client Relationship Summary (CRS) and the Summary of Programs and Services provide an overview of our primary programs, the types of services we provide and how you pay.

What investment services and advice can you provide me?

BROKERAGE SERVICES

In a Merrill brokerage account, you pay commissions and other sales fees on a per transaction basis. We may recommend investments to you, but you make the final decision to buy, sell or hold them.

From time to time, we may voluntarily review the holdings in your brokerage account; however, for purposes of Regulation Best Interest, we do not provide an ongoing monitoring service or monitor your brokerage account and Regulation Best Interest does not require us to do so.

Depending on the qualifications of your financial advisor and how you want to work with us, our brokerage services provide you:

- Investment recommendations and responses to your trade instructions and other requests.
Access to investments, research, financial tools, investment guidance and market education.
Trade execution for purchases and sales of securities and custody of account assets.
Margin lending (borrowing against eligible account assets).
Access to various account types, including the CMA account.

- Access to our Cash Sweep Program where uninvested cash in your account is "swept" into bank deposit accounts affiliated with us or into money market mutual funds.
Cash management services, including direct deposit, check-writing, debit cards, and electronic funds transfer.
Advisors can recommend or make available to you a wide range of investment products for your brokerage account. Merrill Financial Solutions Advisors (MFSAs) are limited as to the investment products that they can make available to you in a brokerage account they service.
Financial Solutions Advisors (FSAs) provide brokerage services to existing clients via a call center or in certain wealth management centers. Enrollments of new clients into an FSA-assisted brokerage account is restricted. You can obtain brokerage services on a self-directed basis through our MESD program, where you will not receive recommendations.
Our Best Interest Disclosure Statement provides material facts about a brokerage account, including fees, material limitations we place on our offerings and conflicts of interest.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed, or provided by companies that are affiliates of Bank of America Corporation ("BoFA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BoFA Corp. Merrill Lynch Life Agency Inc. ("MLLA") is a licensed insurance agency and a wholly owned subsidiary of BoFA Corp. Banking products are provided by Bank of America, N.A., Member FDIC and a wholly owned subsidiary of BoFA Corp. Investment products offered through MLPF&S, and insurance and annuity products offered through MLLA:

Table with 3 columns: Are Not FDIC Insured, Are Not Bank Guaranteed, May Lose Value. Sub-headers: Are Not Deposits, Are Not Insured By Any Federal Government Agency, Are Not a Condition to Any Banking Service or Activity.

### INVESTMENT ADVISORY SERVICES

We offer various investment advisory programs (IA Programs). Each IA Program is described in its IA Program brochure covering the fiduciary services provided, program fees charged and conflicts of interest.

When you enroll in one of our IA Programs, we act as your investment adviser in providing you the fiduciary services described in that IA Program's client agreement and brochure. These services include advice and guidance, access to investment strategies and certain brokerage and custody services, among others. We provide **ongoing monitoring** for an account enrolled in an IA Program as described in its brochure. You pay an **asset-based fee** and not on a per trade basis.

MAA provides discretionary services in certain IA Programs. It invests assets by implementing investment strategies of Merrill, MAA and/or third-party managers you and your Advisor select for your IA Program account. It also processes contributions and withdrawals and provides other services.

In certain IA Programs, you can choose to make investment decisions yourself and/or to grant us or a manager discretion or authority to make investment and trading decisions for your account on your behalf. Discretion is triggered when you grant it and remains in effect until you revoke it.

The range of investment solutions that you can access depends on the IA Program you select and whether you are working with your dedicated Advisor or MFSA, working with our FSAs, or working on a self-guided basis. Our IA Programs for retail investors are:

[Merrill Lynch Investment Advisory Program](#) (IAP). You receive investment advice and guidance from your Advisor or your MFSA, as the case may be. Advisors can offer you all available Merrill-managed and third-party managed investment strategies, including those that involve you entering into a separate contract with the manager. They can also work with you to invest in individual securities, including equities, debt and fund securities, with investment discretion or where you retain investment discretion. MFSAs offer you access to a defined list of managed strategies.

[Strategic Portfolio Advisor Service](#) (SPA). In SPA, you have access to investment advice from your Advisor and to certain investment strategies offered by third-party managers by means of a separate contract between you and the SPA manager.

[Managed Account Service](#) (MAS). In MAS, you can access certain investment strategies of third-party managers not offered in our other IA Programs by means of a separate contract with the MAS manager. We do not provide advice or recommendations about your selection.

[Merrill Guided Investing with Advisor](#) (MGI with Advisor). In MGI with Advisor, with the advice and guidance of FSAs and working through an online, interactive website, you have access to certain Merrill-managed investment strategies and other types of investment services and tools.

[Merrill Edge Advisory Account](#) (MEAA). Through MEAA, you have access to investment advice and guidance from FSAs relating to the offering of certain Merrill-managed investment strategies. It does not offer all of the same services as MGIA.

[Merrill Guided Investing](#) (MGI). Through MGI, you can access a set of Merrill-managed investment strategies and other types of investment services and tools through an online, interactive website on a self-guided basis.

[Institutional Investment Consulting](#) (IIC). This program provides specified investment portfolio services to the investment portfolios of IIC-eligible clients.

All of these IA Programs have differing service and relationship approaches and requirements. Certain of the same managed investment strategies are available in several of our IA Programs.

You should evaluate which IA Program is right for you considering your investment profile; the IA Program fee you are willing to pay; your preferences on how you want your investment relationship to work (with the dedicated Advisor or MFSA you select, with FSAs, or on a self-guided basis); the scope of their capabilities and the limitations on the services they provide; the nature of the IA Program services and the types of IA Program services you want; and the investment solutions and strategies available in each IA Program.

### FOR BOTH BROKERAGE AND IA PROGRAM SERVICES

When we make a recommendation to you about the type of account or program to select, we are acting as both a broker-dealer and an investment adviser. We make available a wide variety of investment products and investment solutions based on factors such as account limitations, eligibility and our product approval process. MFSAs and FSAs are not eligible to offer all brokerage or investment advisory products and services.

There are material limitations we impose in connection with the products we make available to clients, as further described in the [Best Interest Disclosure Statement](#). We require for certain products that the product provider or sponsor enter into distribution agreements with us and, in certain cases, make payments to us for revenue sharing, sub-accounting services and for compensation purposes. In addition, there are a limited number of products in which we or our affiliates have an interest.

Merrill utilizes its own broker-dealer capabilities and those of BofA Securities, Inc. (BofAS) and other related entities to provide you with certain investment products and services, including trade execution, access to research and cash management services.

For a CMA, there is a minimum funding of \$20,000 in cash and/or securities (with a \$2,000 minimum for a subaccount). This does not apply to an account enrolled in MGI, MGI with Advisor, MEAA or to an MESD account. Certain investment products and IA Programs are subject to minimum investment amounts detailed in offering materials and IA Program brochures.

Not all account type options provide the same services.

**Questions you can ask us about our services:** • Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service or both types of services? Why or why not? • How will you choose investments to recommend? • What is your relevant experience, including your licenses, education and other qualifications and what do they mean?

## What fees will I pay?

### FEES IN A BROKERAGE ACCOUNT

You will pay a fee for each transaction in a brokerage account. The types of fees you pay are known as commissions, mark-ups, mark-downs or sales charges. These fees can be a direct payment from you. For certain investment products, the product sponsor or the manager will pay the fees and costs to us based on the value of your investment.

Brokerage transaction fees vary from product to product. The [Best Interest Disclosure Statement](#) includes an overview of brokerage fees and other account charges. Fee information is also covered in the materials listed under the Additional Information heading below. See [merrilledge.com/pricing](http://merrilledge.com/pricing) for MESD fees.

The trade confirmation you receive will provide the amount of the fees charged for the transaction. The offering materials available for certain types of investment products provide information about the fees and costs of those products.

**The more trades that you make in your brokerage account, the more we and/or your financial advisor get paid, giving us a financial incentive to encourage transactions in your account.**

### FEES IN AN IA PROGRAM-ENROLLED ACCOUNT

You pay us an IA Program fee that covers investment advisory services, trade execution and custody at Merrill. The IA Program fee is based on the value of the assets in your account and the fee rates listed below:

**IAP:** If you work with an Advisor, the Merrill fee rate you agree to with your Advisor (max 1.75%) or, if you work with an MFSA, you agree to the set Merrill fee rate schedule (max 1.10%). If you select a managed strategy, your IAP fee can include a strategy manager fee based on the rate set by the manager, which is paid to them.

**SPA:** The SPA rate you agree to with your Advisor (max 1.50%) for Merrill services. You will also pay a SPA manager fee based on the rate set by the manager, which is paid to them.

**MAS:** The MAS rate you agree to with your Advisor (max 1.80%) for Merrill services. You will also pay a MAS manager fee based on the rate set by the manager, which is paid to them.

**MGI with Advisor and MEAA:** 0.85%.

**MGI:** 0.45%.

**IIC:** The rate you agree to with your Advisor (max 0.45%).

The Merrill fee component for IAP, SPA, MAS and IIC is **negotiable**. Depending on the IA Program, the fee is paid monthly or quarterly. The relevant IA Program brochure provides more detail about the fees and costs you may incur.

**The more assets there are in your IA Program-enrolled account, the more you will pay in fees, giving us a financial incentive to encourage you to increase the assets in your account.**

### ADDITIONAL FEE INFORMATION

Advisors and MFSA's may discount or waive certain brokerage fees based on our discount or waiver requirements. FSAs are not permitted to discount or waive fees. You may qualify for a discount or waiver according to applicable reward and rebate programs.

Certain products have built-in fees and expenses (described in their offering materials) that the product manager or sponsor charges for services, portions of which may be paid to us.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.** Please make sure you understand what fees and costs you're paying.

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser?  
How else does your firm make money and what conflicts of interest do you have?**

### STANDARD OF CONDUCT AND CONFLICTS OF INTEREST

**When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours.** At the same time, the ways we and our affiliates make money create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples of conflicts to help you understand what this means:

**Affiliate benefits.** Our affiliates receive compensation and/or economic benefits in connection with certain of the services provided and certain investment products that we recommend or make available to you.

**Third-party payments for services.** We receive compensation from certain product sponsors for the sub-accounting and shareholder services we provide them. We also have agreements with certain product sponsors to pay us marketing support and other revenue sharing payments under certain circumstances. Certain product sponsors participate in financial advisor and client conferences, meetings and events and pay for the eligible expenses related to these events, including costs for those financial professionals attending.

**Principal trading.** Some of your securities transactions will be executed with our affiliate BofAS. It makes money when executing your securities transactions as well as when acting as an underwriter for new issue offerings of securities for corporate issuers.

For more information on our conflicts of interest, including those described above, see the [Best Interest Disclosure Statement](#) and/or our IA Program brochures by clicking the highlighted links in this CRS.



#### Questions you can ask us about fees and conflicts:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
- How might your conflicts of interest affect me and how will you address them?

#### How do your financial professionals make money?

Our financial professionals are compensated based on their offering of brokerage services and transactions in investment products, providing IA Program services and making referrals to Affiliates. Compensation payments present a conflict of interest. For brokerage services, the conflict arises based on the type and frequency of transactions in your Account. For IA Programs, the conflict arises based on the compensation we make due to your enrollment in a fee-based program and the fee that you agree to or are charged.

#### BROKERAGE COMPENSATION

For brokerage services, Advisors are primarily compensated based on commissions and other types of transaction fees and service charges related to transactions in your brokerage account. Advisor compensation is based on what we charge you for executing your trade and what we receive from product sponsors for the sale of their products, where applicable. Certain products have higher transaction fees and service charges than other products. An Advisor will receive more compensation for selling certain products over other products and this is a conflict of interest.

MFSAs and FSAs who provide brokerage services are compensated through a salary and performance-based incentive compensation.

#### INVESTMENT ADVISORY COMPENSATION

For providing investment advisory services, Advisors are primarily compensated based on the IA Program fee charged for the account. MFSAs and FSAs receive compensation in the form of salary and performance-based incentive compensation.

#### OTHER COMPENSATION INFORMATION

Advisors and MFSAs receive incentive and strategic growth awards for asset gathering efforts, for growth in banking, lending and IA Program services and meeting performance goals during the year. They can also qualify for referral payments for the referrals of certain business to Merrill affiliates. FSAs receive incentive compensation based on meeting performance-based goals and for referrals.

Advisors who join Merrill from other firms receive additional payments in connection with that move, and the amounts paid are generally based to a large extent on the size of the business at their prior firm and on assets that transfer including from the Advisor's prior firm.

#### Do you or your financial professionals have legal or disciplinary history?

Yes. Please visit [Investor.gov](https://investor.gov) for a free and simple tool to search for us and our financial professionals.

#### Additional Information

For the latest copy of this disclosure, go to [ml.com/CRS](https://ml.com/CRS). For a copy of the [Best Interest Disclosure Statement](https://ml.com/bestinterestdisclosure), go to [ml.com/bestinterestdisclosure](https://ml.com/bestinterestdisclosure). To receive a paper copy of either document free of charge, you may call your financial professional or call us at 800.637.7455.

We provide you with additional transaction information through other documents such as trade confirmations, prospectuses, offering materials and account statements.

Certain client agreement forms and the materials listed below are available by clicking the highlighted words or by going to [ml.com/relationships](https://ml.com/relationships) and [merrilledge.com/relationships](https://merrilledge.com/relationships).

- [Summary of Programs and Services](#)
- [Best Interest Disclosure Statement](#)
- [IA Program Brochures](#)
- [Important Information about your Merrill Lynch Relationship](#)
- [List of Account Types](#)
- [Merrill Explanation of Fees & Merrill Advisory Center Explanation of Fees](#)
- [Merrill Schedule of Miscellaneous Account and Service Fees](#)
- [Merrill Edge Schedule of Miscellaneous Account and Service Fees](#)
- [Sweep Program Guide](#)
- [Mutual Fund Investing & Offshore Mutual Fund Investing](#)
- [CMA® Financial Service Cash Management Account® Disclosures](#) (e.g., bank deposit program, margin and securities-based loan disclosures)

**Questions you can ask us:** • As a financial professional, do you have any disciplinary history? For what type of conduct? • Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? • Who can I talk to if I have concerns about how this person is treating me?



# Merrill Edge<sup>®</sup> Self-Directed Investing Client Relationship Agreement

## Terms and Conditions

### 1. Introduction

We have prepared the Merrill Edge<sup>®</sup> Self-Directed Investing Client Relationship Agreement (hereinafter referred to as the "Merrill Edge Self-Directed CRA" or "this Agreement") in order to help you understand your relationship with Merrill Edge Self-Directed Investing. This Client Relationship Agreement ("Agreement"), and the agreements for the various products and services offered by Merrill Edge Self-Directed Investing, details the nature of the mutual obligations for services you are about to use and those services you may choose to use in the future. This Agreement is effective only when deemed accepted by Merrill in the United States.

Merrill Edge Self-Directed Investing (also referred to herein as "MESD") is the marketing name for certain brokerage services offered to clients on a self-directed basis through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill").

We have provided you with a copy of the Client Relationship Summary ("Form CRS") either online via the Online Account Opening process or as part of the MESD application packet.

You should review the Form CRS to understand the scope of services that we can provide you at Merrill and key information about our brokerage and investment advisory programs.

Merrill offers its products, accounts and services through different service models (e.g., self-directed or full-service). Based on the service model, the same or similar products, accounts and services may vary in their prices or fees charged to a client. The Summary of Programs and Services, as well as the Form CRS, outline these different programs and are included during the Online Account Opening process or as part of the MESD Application Packet.

Future account disclosures may be delivered to you via the internet, including as a message at the Secure Message Center. In certain cases, future account Disclosures may be delivered via statement message, statement insert or stand-alone letter.

When you agree to the terms of this Agreement, you are agreeing that its terms will apply to all of your MESD accounts, transactions and services.

If you have any concerns about the services you receive under these terms and conditions, please contact Merrill Edge Self-Directed Investing at **877.653.4732**.

### What to do if you have a problem

We sincerely hope to service your account in such a manner that problems will never occur. However, errors, misunderstandings or disputes can occur, and we want to resolve them promptly and fairly.

**Reviewing your confirmations and statements** — Please review your confirmations and account statements promptly and let us know if there is any discrepancy in terms of transactions or deposits or withdrawals of either funds or securities.

**Whom to contact** — If your concerns cannot be resolved or have not been properly addressed, you may contact Merrill Compliance at 609.274.4040, or in writing at P.O. Box 1520, Pennington, NJ 08534-1520.

### 2. Overview of Merrill Edge Self-Directed Investing

Merrill Edge Self-Directed Investing is designed for U.S.-based investors who wish to make their own investment choices in a Merrill Lynch, Pierce, Fenner & Smith Incorporated brokerage account.

Neither Merrill, nor MESD, nor any Merrill or MESD representative, will provide you with investment advice, including any recommendations, or offer any opinion regarding the suitability of any security, order, transaction, or strategy in a Merrill Edge Self-Directed Investing Account, or monitor your investment or the appropriateness of your account or service level, or alert you to any recommended change to your investments, investment accounts, or services. Neither Merrill nor MESD, nor any Merrill or MESD representative, will provide any tax or legal advice.

No Merrill Research opinion, Independent Research opinion, the inclusion of a security on any list, or any information provided to you either on the Merrill Edge website or by mail or any other means constitutes a recommendation to you to purchase, hold or sell any investment.

By entering into this Agreement, you agree that any transactions executed through your Merrill Edge Self-Directed Investing Account, whether based on information obtained from Merrill or elsewhere, will be solely your own decision and based on your own evaluation of your personal financial situation, needs, and investment objective(s).

In addition to retaining the sole responsibility for investment decisions, you understand and agree that you are responsible for knowing the rights and terms of all securities in your account, specifically including valuable rights that expire unless the holder takes action. This includes, but is not limited to, warrants, stock rights, convertible securities, bonds, and securities subject to a tender or exchange offer. You understand and agree that Merrill accepts no obligation to notify you of any upcoming expiration or redemption dates, or, except as required by applicable law or regulation, to take any action on your behalf without specific instructions from you. You also agree that all dividends and interest payments credited to your account shall accumulate rather than be paid to you upon receipt, but shall be subject to your withdrawal from time to time upon request for a check or other funds transfer.

Notwithstanding the foregoing, in its capacity as an investment adviser Merrill may provide investment advice or recommend securities transactions or investment strategies to you within certain investment advisory programs. To enroll in such an investment advisory program, such as the Merrill Guided Investing Program, you may be required to establish and maintain a Merrill Edge Self-Directed Investing Account. Merrill acts as an investment adviser and not a broker-dealer for the investment advisory services provided within these investment advisory programs. To the extent that Merrill provides investment advice or recommends any securities transactions or investment strategies to you within any such investment advisory program, you understand and agree that Merrill does so in its capacity as an investment adviser and not as a broker-dealer. You will be required to enter into a separate agreement with Merrill and its affiliates to participate in an investment advisory program. Pursuant to Section 5a of this Merrill Edge Self-Directed CRA, the terms governing any such investment advisory program will control if there are any inconsistencies with the terms of this Merrill Edge Self-Directed CRA. If your account serves as the securities account for a Merrill investment advisory program, certain features of Merrill Edge Self-Directed Investing, such as the Margin Lending Program,

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation ("BofA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BofA Corp.

Banking products are provided by Bank of America, N.A. and affiliated banks, Members FDIC and wholly owned subsidiaries of Bank of America Corporation.

Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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check writing, and Visa cards, may not be available to you. If your account serves as the securities account for a Merrill investment advisory program and if, for any reason, you terminate from the investment advisory program without transferring the securities and assets out of your account, your account will be a Merrill Edge Self-Directed Investing Account without any investment advisory relationship. As such, and as explained more fully in the preceding paragraphs, neither Merrill, nor any Merrill representative, will provide any investment advice or give any advice or offer any opinion regarding the suitability of any security, order or transaction in a Merrill Edge Self-Directed Investing Account.

Additionally, to the extent that you maintain other accounts or relationships with Merrill or its affiliates under which you do receive investment advice or management from us or our affiliate, you agree not to implement such advice in the account.

If you do not feel comfortable with self-directing your retirement assets or would otherwise like to learn more about the benefits of our management and advisory services and programs for Retirement Investors, please contact Merrill Edge Self-Directed Investing at **877.653.4732**.

### 3. Definitions

For the purpose of this Agreement, "you" and "your" refers to each person who has agreed to the terms in this Agreement. "Merrill," "we," "our" and "us" refer to Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer and a wholly owned subsidiary of Bank of America Corporation. "Account" refers to any securities account you open with Merrill.

In the case of an entity, "you" and "your" refers to the entity, and by enrolling the entity agrees that access to Merrill Edge Self-Directed Investing shall be restricted to Authorized Representatives (as defined in the account agreement) for such entity and that the entity will be liable for all acts or omissions of such Authorized Representatives.

For the purpose of this Agreement, Merrill Edge Self-Directed Investing ("MESD"), which is made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), refers to certain brokerage services offered to clients on a self-directed basis through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") and which are the subject of this Agreement.

For purposes of the Margin Lending Program and Liens sections described below, "securities and other properties" means, without limitation, money, securities, financial instruments and commodities of every kind and nature and related contracts and options held in any of your accounts carried or maintained by Merrill or any of its affiliates in which you may have an interest.

### 4. How the Merrill Edge CRA works

This Agreement provides you with access to a range of accounts, Products and Services. When you agree to the terms of this Agreement, you're agreeing that its terms will apply to all of your MESD accounts, transactions and services while you are an MESD client.

In particular, you agree:

- You will resolve any controversies with us through arbitration.
- We have a lien on your non-retirement accounts and assets in those accounts for the payment of any obligation you have with us.
- New York law governs your agreements and transactions, unless we indicate otherwise.
- Merrill has the right to amend this Agreement at any time with advance notice in writing. Any amendments will be effective on the date specified in the notice.
- Merrill may in its sole discretion and without notice to you, to the extent permissible under applicable law and other governing documents applicable to your account, decline, cancel or reverse your orders or instructions, or place trading, disbursement and other restrictions on any of your accounts.
- If you're enrolled in the Margin Lending Program, you agree and understand that:
  - You may borrow money from Merrill secured by a pledge of your eligible securities and other property in your account.
  - You will be charged interest on debit balances at a rate permitted by the laws of the state of New York.
  - Certain securities in your account may be loaned to Merrill or others to the extent not prohibited by applicable laws, rules or regulations.
- Limits may be placed on your ability to buy, sell, transfer and hold certain securities, like low-priced securities, as identified by Merrill.

- If you've requested a Visa® Card, you agree that:
  - Merrill is authorized to issue you the Visa® Card you requested for use with eligible accounts, and you understand that Merrill or an affiliate may obtain a credit report due to your request.
- If you're establishing your relationship in a joint capacity, you agree that:
  - Any joint accounts you open in the future held by the same owners will have the same ownership designation you establish on this Agreement, unless you notify us otherwise in writing.

If you are the custodian of an account opened under the Uniform Transfers to Minors Act (UTMA) or the Uniform Gifts to Minors Act (UGMA) as adopted by any jurisdiction, you agree to comply with all requirements of the applicable UTMA or UGMA law, including but not limited to the requirements that you (i) expend the UTMA or UGMA account assets only for the use and benefit of the minor named on the account (the "Minor"), and (ii) upon the earlier of the Minor's attainment of the applicable termination age or the Minor's death, transfer the UTMA or UGMA account assets to the Minor or to the Minor's estate. Merrill shall not have any responsibility to make sure that you properly perform your duties as custodian.

You agree that once Merrill has reason to believe that the Minor has reached the termination age under applicable law, Merrill may, but is not obligated to, take any or all of the following actions with respect to the UTMA or UGMA account without further consent from you:

- limit trading in the UTMA or UGMA account to liquidating orders;
- prohibit further deposits into the UTMA or UGMA account;
- restrict withdrawals or transfers from the UTMA or UGMA account other than to the Minor;
- communicate with the Minor or the Minor's legal representative regarding the UTMA or UGMA account including, but not limited to, providing periodic account statements and tax statements to the Minor or Minor's legal representative;
- accept liquidating orders from the Minor; and
- deliver the UTMA or UGMA account assets to the Minor.

#### Attention Guardians and Conservators for Minors

If you are a fiduciary such as a guardian or conservator of an account opened for a minor, you agree that you shall (i) expend the account assets only for the use and benefit of the minor named on the account (the "Minor"), as directed by the Court or as provided pursuant to applicable state law, and (ii) within a reasonable time after the Minor's attainment of the age of majority or other age specified by state law or court order, deliver the account assets to the Minor, or as directed by court order. Merrill shall not have any responsibility to ensure that you properly perform your duties as fiduciary, but may request copies of any applicable court orders.

You agree that once Merrill has reason to believe that the Minor has reached the age of majority or other age specified by state law or court order, Merrill may, but is not obligated to, take any or all of the following actions with respect to the account without further consent from you:

- limit trading in the account to liquidating orders;
- prohibit further deposits into the account;
- restrict withdrawals or transfers from the account other than to the Minor;
- seek clarification and/or direction from the appointing court at your expense or the Minor's expense;
- communicate with the Minor or the Minor's legal representative regarding the account including, but not limited to, providing periodic account statements and tax statements to the Minor or Minor's legal representative;
- accept liquidating orders from the Minor; or
- deliver the account assets to the Minor.

Further, if the Minor dies prior to attaining the age of majority, you agree to deliver the account assets as set forth pursuant to applicable state law or as directed pursuant to court order.

The specific provisions on these topics are set forth in detail below. If you trade and hold non-U.S. issued securities, you agree and acknowledge that:

- Merrill or its affiliates may be required to disclose customer names and other identifying information, including but not limited to Social Security number or tax identification number, to regulators (including taxing authorities) and/or issuers to comply with local law and/or customs and practice. For example,

we may be required to provide personal information in order to meet local regulations that require the submission of investor names to the local stock exchange, or an issuer may request residence and taxpayer identification information in order to obtain favorable tax treatment, such as lower withholding rates, for shareholders.

- For clients who trade and hold shares of Italian companies whose equity securities are traded in any regulated market:
  - If you hold shares of Italian companies whose equity securities are traded in any regulated market, you hereby represent that you only hold “Non-Qualified Equity Investments” (Partecipazioni Non Qualificate). You agree, and acknowledge that it is your responsibility, to immediately inform Merrill if this representation is inaccurate or untrue or if it becomes inaccurate or untrue.

#### a) Read and understand English

You acknowledge that (i) you can read and fully understand English; (ii) that written documents, agreements, and information (collectively referred to as “Materials”) concerning your relationship with Merrill, including but not limited to products, services, transactions, and other account details, will typically be provided to you in English; and (iii) on occasion we may provide certain Materials to you in Chinese, Spanish, or Portuguese, as applicable.

#### 關注客戶

#### 變化的通知在其自己的與MLPF & S的關係

您承認 (i) , 你可以閱讀並完全理解英語; (ii) 有關與美林 (Merrill Lynch) 的關係的書面文件、協議、以及信息 (統稱為“材料”) , 包括但不限於產品、服務、交易、和其他帳戶細節, 通常會以英語向您提供; (iii) 有時出于尊重, 我們可能會向您提供某些非英文的翻譯材料。

#### Atención a Nuestros Clientes:

#### Notificación de cambios en la relación de su cuenta con MLPF&S

Ud. reconoce que (i) puede leer y entender el idioma inglés a cabalidad; (ii) que, en general, todos los documentos escritos, contratos y demás información (denominada, en conjunto, como “Materiales”), que tengan que ver con la relación que sostiene con Merrill, incluyendo pero sin limitarse a los productos, servicios, transacciones y demás detalles relacionados con su cuenta le serán entregados en el idioma inglés; y (iii) en ocasiones, podremos entregarle traducciones de ciertos materiales a otros idiomas distintos al inglés, como un gesto de cortesía hacia Ud.

#### Atenção, todos os clientes: Notificação das mudanças realizadas nos contratos de suas contas com MLPF&S:

Você declara que (i) pode ler e compreender o idioma inglês perfeitamente; (ii) que aceita que, em geral, todos os documentos escritos, os contratos e outras informações (juntamente designados “Materiais”), que tenham a ver com a relação que você mantém com a Merrill, inclusive, mas sem se limitar a, os produtos, serviços, transações e outros detalhes relacionados a sua conta sejam entregues em idioma inglês; e que (iii), em ocasiões, poderemos entregar traduções de alguns materiais em outros idiomas diferentes do inglês, como gesto de cortesia para você.

#### b) New accounts and services

When you open a new account or enroll in a service, or convert all or part of an existing Merrill account to MESD, we will provide you with the agreement and any disclosures for that account or service and confirm your enrollment in that account or service in writing. Those agreements and disclosures are incorporated by reference. This means that your initial signature acts as your agreement to the terms of the new account or service. As a result, in many cases, you will not need to sign an additional account agreement or other form.

For example, if you enroll in the Merrill Edge® Self-Directed Investing Cash Management Account® (CMA® account) financial service, the disclosures and account agreement for that service are incorporated in this Agreement. We will provide those documents to you when you enroll.

The terms governing a specific account or service will control if there are any inconsistencies with the terms of this Merrill Edge CRA. If you are establishing a joint account with this Agreement, you must designate how the account is to be held by the owners of the account.

Eligible joint account designations include:

- JTWROS—Joint Tenancy With Right of Survivorship;
- TIC—Joint Tenancy Without Right of Survivorship, also known as Tenants in Common;

- ATBE—As Tenants by Entirety (for married persons, only in states where applicable);
- COMMPROP—Community Property for married persons, only in states where applicable;
- CPWROS - Community Property With Right of Survivorship for married persons, only in states where applicable;
- WI MAR PROP—Wisconsin Marital Property, for married residents of Wisconsin only; and
- WI SURV MAR PROP—Wisconsin Survivorship Marital Property, for married residents of Wisconsin only.

You hereby agree that, unless you notify us otherwise in writing, all subsequent joint accounts opened with Merrill by the same owners shall be held by such owners with the same ownership designation. All joint accounts are subject to the specific provisions pertaining to joint accounts contained in the applicable account agreements. Joint ownership of property is an important element of estate planning and entails important legal and tax consequences. Joint ownership laws vary from state to state. You are responsible for verifying that the joint registration that you select for your account(s) is valid in your state. In addition, state laws regarding community property vary. Please consult your attorney if you have any questions regarding the joint ownership or community property laws that may be applicable to your account(s).

#### c) Additional signatures

You may need to sign more than one Merrill Edge Self-Directed CRA. This will be required if you want to open an account in a capacity other than as an “individual,” including as a:

- Trustee of a trust;
- Personal representative or executor of an estate; or
- Guardian.

We may also require you to sign additional agreements or other documents for certain services or instructions, including:

- Selecting beneficiaries for an individual retirement account;
- Selecting the ownership of a joint account;
- Selecting beneficiaries of an account with the transfer on death service;
- Options trading;
- Financial planning;
- Managed money services; and
- Services involving the transfers of money or securities.

#### d) Retirement account beneficiaries

Your signature is required to designate or change beneficiaries to receive the balance of your account upon your death. If you do not do so, your account balance will be paid to your spouse, if he or she survives or, if not, to your estate.

#### e) Amendments

You agree that Merrill has the right to amend this Merrill Edge Self-Directed CRA at any time by providing notice of the amendment to you. The amendment will be effective on the date contained in the notice.

### 5. Customer information and due diligence

Merrill, like all U.S. financial institutions, is required to follow federal regulations to assist the government in its efforts to fight money laundering and other financial crimes, and to counter terrorist financing efforts in the U.S. and globally. Merrill obtains specific personal information from you in order to verify your identity; and you may be required to present documentary evidence of your identity in the form of government-issued identification. Merrill also uses third-party vendors to verify customer information. Foreign nationals who are permanent legal residents of the U.S. may be required to present a Permanent Resident Card (i.e., “green card”) and a Social Security number to open an account in a U.S.-based Merrill office. Non-individuals (e.g., a business, trust or estate) must submit sufficient evidence of legal status.

In addition to verifying the identity of our customers, Merrill captures personal information on all customers and related authorized parties who have the ability to transact, control, influence or manage an account, whether directly or indirectly. Merrill, at its discretion, may elect not to accept an account, or to terminate the account agreement and the account agreements of any related parties.



## 6. Margin lending

If any account is established with the Margin Lending Program, you understand and agree that:

- You may borrow money from Merrill secured by a pledge of your eligible securities and other property in your account;
- You will be charged interest on debit balances at a rate permitted by the laws of the state of New York;
- Certain of your securities may be loaned to Merrill or loaned out to others; and
- You are bound by the terms of the agreement for the Margin Lending service.

Further, in return for extending credit to you under the Margin Lending Program, you acknowledge and agree that we may lend, either to Merrill or to others, the securities in your account (along with all attendant rights of ownership), to the extent not prohibited by applicable laws, rules and regulations. Please refer to the terms for the Margin Lending Program in the Merrill Edge Self-Directed Cash Management Account Disclosures and Account Agreement for more detail.

## 7. Liens

All of your securities and other property in any account—margin or cash—in which you have an interest, or which at any time are in your possession or under your control other than retirement accounts, such as IRAs, shall be subject to a lien for the discharge of any and all indebtedness or any other obligations you may have to Merrill. Securities and other property held in retirement accounts, such as IRAs, are not subject to this lien, and are not used as security for the payment of your obligations or indebtedness for other non-retirement accounts—cash or margin—you maintain with Merrill. You agree that Merrill holds all of your securities and other property in margin or cash accounts, other than retirement accounts, as security for the payment of any such obligations or indebtedness to Merrill in any account in which you have an interest. Merrill, subject to applicable laws, may at any time and without giving you prior notice, use and/or transfer any or all securities and other property in any account in which you have an interest other than retirement accounts, without regard to Merrill having made any advances in connection with such securities and other property and without regard to the number of accounts you may have with Merrill. In enforcing the lien, Merrill, at its sole discretion, may determine which securities and other property are to be sold or which contracts are to be closed.

## 8. Governing law

Unless otherwise specified, your agreements and transactions with Merrill will be governed by and interpreted under the laws of the State of New York.

You may not use your account or relationship to the firm to process transactions that are prohibited by law, including, but not limited to, restricted transactions prohibited by the Unlawful Internet Gambling Enforcement Act of 2006.

## 9. Compliance with applicable laws

You represent that you and any beneficial owner(s), if acting in a representative capacity, have complied, and you agree that you and any such beneficial owner(s) will comply for so long as your account(s) remain(s) open, with all applicable laws (including obligations related to tax payments and reporting and to currency exchange controls) related to (i) the assets deposited, acquired or otherwise held in any securities account held at Merrill now or in the future, or (ii) any other transaction you enter into with Merrill or its affiliates. You further agree and acknowledge that you and any beneficial owner(s) if acting in a representative capacity are responsible for timely paying any taxes owed to any tax authority, and for timely filing all relevant tax returns in relation to assets held in any securities account held at Merrill now or in the future, or any other transaction you enter into with Merrill or its affiliates.

## 10. Special Provisions for FDIC Deposit Insurance Coverage

Merrill Lynch is not an FDIC-insured bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill Lynch as your agent. Merrill Lynch has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping.

If you have opened a Merrill account that holds bank deposits on your behalf or on behalf of the beneficial owners of the assets in the account, you, as the account holder or representative, must be able to provide information, in the event of adverse circumstances, about your ownership of the deposits or information regarding the interests of the beneficial owner(s) or beneficiaries to Merrill in accordance with the FDIC's requirements.

In the event of adverse circumstances, you agree to:

- Cooperate fully with us and the FDIC in connection with determining the insured status of funds in such accounts at any time;
- Provide promptly the necessary data in the required format.

In the event of bank failure, the FDIC would be appointed as receiver and a hold would be placed on your account so that the FDIC can conduct the deposit insurance determination; that hold will not be released until the FDIC obtains the necessary data to enable the FDIC to calculate the deposit insurance. You understand and agree if you do not provide the necessary data to Merrill in a timely manner, it may result in a delay in receipt of insured funds and your ability to transact with these funds.

## 11. Fees

You agree to pay your account fees, service fees, processing and other fees for the transactions and other services you receive from Merrill. You understand that these fees will be charged to your accounts. Current information about the fees that apply to your account is available under the "Online investing and trading" tab at: [www.merrilledge.com/pricing](http://www.merrilledge.com/pricing). You agree that Merrill may satisfy any amounts you owe to Merrill from available free credit balances and assets in your account. If necessary, Merrill is permitted to sell assets in your accounts to pay those amounts due. You agree that you have reviewed the schedule of fees applicable to your MESD Account, including account fees, service fees, processing and other fees for the transactions and services applicable to your account, and believe them, in addition to any third-party compensation that we may receive with respect to your account or transactions engaged in by your account discussed more fully below, to be reasonable compensation to us in light of the totality of services we may provide with respect to the account.

### a) Securities transactions

When you purchase or sell securities, you may pay for each securities transaction on a per trade basis. This is called transaction-based pricing. Under this type of pricing, you are charged a commission or other compensation for each transaction. This compensation varies based on a number of factors, such as your relationship with Merrill and Bank of America, the type of security and how often you trade. Commission rates are subject to change. Our current standard commission schedule is available under the "Online investing and trading" tab at: [www.merrilledge.com/pricing](http://www.merrilledge.com/pricing).

The amount of commissions you may pay varies from product to product. Where commissions apply, the more transactions you enter into, the more compensation we receive. When you pay commissions with respect to particular investments, we benefit from you buying and selling more frequently, rather than holding investments, and from you purchasing investments that result in higher commissions and compensation to us and our affiliates.

Merrill and its affiliates also receive compensation from third parties (including from the investment products in which you invest, and their manufacturers, distributors, managers, and their respective affiliates) in connection with your investment transactions. The amount of this third-party compensation generally varies from product to product. Merrill has an incentive for you to engage in investment transactions that result in more compensation from third parties to Merrill and its affiliates. The costs of this third-party compensation generally represent an expense embedded in the investment that is ultimately borne by investors such as you. The specific types of third-party compensation we may receive with respect to a particular investment are typically disclosed in the relevant investment product prospectus or other offering document. Examples of the types of third-party compensation we can receive are listed hereafter, but note that not all types of compensation apply to all investments, and we may receive other compensation that is not listed here. The examples of third-party compensation include: Rule 12b-1 and other distribution and servicing fees; revenue sharing payments; exchange-traded fund index licensing fees; event payments; gifts, gratuities, and other non-monetary compensation; payment for order flow; securities lending fees; valuation fees; redemption fees; and underwriting fees.



#### b) Visa® cards issued by Bank of America, N.A.

There is no annual fee for the Merrill CMA Access® Visa® card. However, transaction charges apply with respect to particular transactions as disclosed in the Merrill CMA Access Visa card terms and conditions.

This information is subject to change. You may call Merrill Edge Self-Directed at **877.653.4732** to verify current fees.

You authorize Merrill to issue the Visa card that you have requested for use with eligible accounts, and you understand that Merrill or an affiliate may obtain a credit report in connection with your request.

### 12. Agreement to arbitrate controversies

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- 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.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- 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.
- The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- 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.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

You agree that all controversies that may arise between us shall be determined by arbitration. Such controversies include, but are not limited to, those involving any transaction in any of your accounts with Merrill, or the construction, performance or breach of any agreement between us, whether entered into or occurring prior, on or subsequent to the date hereof.

Any arbitration pursuant to this provision shall be conducted only before the Financial Industry Regulatory Authority Inc. ("FINRA") or an arbitration facility provided by any other exchange of which Merrill is a member, and in accordance with the respective arbitration rules then in effect at FINRA or such other exchange.

You may elect in the first instance whether arbitration shall be conducted before FINRA or another exchange of which Merrill is a member, but if you fail to make such election by registered letter addressed to Merrill at the office where you maintain your account before the expiration of five (5) days after receipt of a written request from Merrill to make such election, then Merrill may make such election.

Judgment upon the award of the arbitrators may be entered in any court, state or federal, having jurisdiction.

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: (i) the class certification is denied; or (ii) the class is decertified; or (iii) 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.

### 13. Important disclosures

Merrill is a registered broker-dealer and a wholly owned subsidiary of Bank of America Corporation. Unless otherwise disclosed, investments through Merrill are not FDIC Insured, and are not Bank guaranteed, and may lose value. Investing in securities involves the risk of loss, and you should be prepared to bear this risk.

Merrill offers its products, accounts and services through different service models (e.g., self-directed, full-service). Based on the service model, the same or similar products, accounts and services may vary in their price or fee charged to a client.

A Merrill financial advisor, Merrill Financial Solutions Advisor or other Merrill employee (collectively referred to herein as an "Associate") is eligible to receive compensation if the Associate informs you about MESD and you thereafter open an MESD account and/or add more assets to your existing MESD account. The details of the compensation will depend on the Associate's employment agreements and arrangements with Merrill, and the types of compensation for which the Associate is eligible. In general, the compensation the Associate receives will vary based on the amount of assets you invest in an MESD account at a specific time or over a specific period (e.g., upon account opening or during a given quarter). The Associate's activity with respect to other Merrill clients and the amount of assets other clients invest in MESD accounts or other accounts with Merrill or its affiliates will also affect the compensation for which the Associate may be eligible. Merrill's compensation arrangements with Associates generally include thresholds regarding the amount of compensation to be paid to Associates. Associate compensation varies and is based on, among other things, the amount clients invest in accounts, the number of accounts clients open and/or close, and qualitative factors such as client satisfaction. A Merrill financial advisor is eligible to receive ongoing compensation for a limited period of time if the total amount invested in an MESD account exceeds a certain threshold.

You can research Merrill and our representatives using FINRA's BrokerCheck database.

Vesting age for UTMA (Uniform Transfer to Minor account) and UGMA accounts (Uniform Gift to Minor account) defaults to the minimum age defined by individual state laws.

### 14. Sweep Program

The deposit of checks, the sale of securities, and other activity will periodically generate cash in your account. You have the option to have cash balances in your account automatically deposited into Bank of America, N.A. ("BANA") and/or Bank of America California, N.A. ("BA-CA") under the Merrill Lynch Direct Deposit Program ("MLDD Program"). Alternatively, you may elect that cash balances do not sweep. If you choose to not sweep your cash balances, they will not earn interest. These balances will be covered by the Securities Investor Protection Corporation ("SIPC") up to \$250,000 per customer and by our excess-SIPC coverage, as described in your account agreement, but they are not insured by the FDIC. For IRA Accounts, cash balances will be automatically deposited into Bank of America, N.A. ("BANA") and/or Bank of America California, N.A. ("BA-CA") under the Retirement Asset Savings Program (the "RASP Program"). The MLDD and RASP Programs are collectively referred to as the "Sweep Program." For details contact Merrill Edge Self-Directed Investing at **877.653.4732**, or view your account agreement. Please note that if your account is enrolled in a Merrill investment advisory program, such as Merrill Guided Investing, and you choose to not sweep your cash balances, you should understand that Merrill may charge an asset-based advisory fee on the cash in the account even though you are not earning any interest or dividends on that cash.

#### Conflicts of interest

There are conflicts of interest relating to the Sweep Program. Deposits held at BANA and/or BA-CA (collectively, the "Merrill Lynch Affiliated Banks") are financially beneficial to Merrill and its affiliates. If you hold cash balances in your account, both Merrill Lynch and the Merrill Lynch Affiliated Banks benefit financially when your cash is "swept" to and held in deposit with them under the Sweep Program. Merrill Lynch receives compensation from the Merrill Lynch Affiliated Banks for its services relating to the sweep programs.

Merrill Lynch receives:

- Up to \$100 per year from BANA and/or BA-CA for each account that sweeps to the Merrill Lynch Bank Deposit Program and the Merrill Lynch Direct Deposit Program
- Up to \$85 per year for each account that sweeps to the Retirement Asset Savings Program
- Up to \$100 per year from MLBTC for each account that sweeps to the International Bank Variable Rate Deposit Facility
- A fee of up to 2% per annum of the daily balances from the participating banks in the ISA Program.

This compensation is subject to change from time to time, and Merrill Lynch may waive all or part of it. Financial advisors are compensated based on their

clients' total deposits held in Merrill Lynch Affiliated Banks, in participating banks in the ISA Program and in sweep money market funds. In addition, they can receive a compensation award based on achieving a number of strategic objectives, including, among other activities, the growth in their clients' balances in bank sweep deposit accounts and sweep money market funds. Together, these compensation incentives create a conflict of interest.

The Merrill Lynch Affiliated Banks benefit financially from their use of the deposits. Through the sweep programs, they receive a stable, cost-effective source of funding. They use bank deposits to fund current and new lending, investment and other business activities. Their participation in the sweep programs increases their respective deposits and overall profits. Bank profitability is determined in large part by the "spread" they earn on the deposits — the difference between the interest paid and other costs incurred by them on bank deposits (including payments to Merrill Lynch), on the one hand, and the interest or other income earned on their loans, investments and other assets, which may be funded in part by bank deposits, on the other hand. The greater the amount of cash balances maintained in deposit accounts with the Merrill Lynch Affiliated Banks (which could be as a result of a recommendation from your financial advisor) and the lower the interest rate paid on the related bank deposit, the more the Merrill Lynch Affiliated Banks benefit.

The deposits will bear a rate of interest that has been established for, and in light of the features of, the sweep programs. The rate of interest for such deposit accounts is periodically set and reset by the Merrill Lynch Affiliated Banks in their discretion. Accounts that enroll in specified Merrill Lynch investment advisory programs receive the highest tier rate available under MLBDP. The specified programs are currently (1) the Merrill Lynch Investment Advisory Program; (2) the Merrill Lynch Strategic Portfolio Advisor Service; (3) the Merrill Lynch Managed Account Service; (4) the BlackRock Private Investors Program; (5) the Merrill Guided Investing with Advisor Program; and (6) the Merrill Edge Advisory Account program.

The interest rate you earn in a bank deposit account affiliated with the sweep programs will likely be lower than yields on certain money market funds and other cash alternatives.

The greater the amount of the cash balance maintained in your Account that is swept into a sweep program bank deposit account and the lower the interest rate paid on the deposit, the more our bank affiliates benefit.

Interest rates paid on deposits are determined at the discretion of the Merrill Affiliated Bank based on economic and business conditions. Rates may change daily. The current yield on any deposits held under the MLDD Program or the RASP Program will be included on your account statement. *Note: The MLDD Program is the Sweep Program available to MESD Cash Management Accounts (CMAs), and the RASP Program is the Sweep Program available to Traditional IRAs, Roth IRAs, Rollover IRAs, BASIC, SEP and SIMPLE accounts.* You can also access current yield information on our website (see the "Deposit Account & Money Fund Rates" link at the bottom of each page of [merrilledge.com](http://merrilledge.com)), or by contacting Merrill Edge Self-Directed Investing at **877.653.4732**.

Deposits in the MLDD Program and the RASP Program are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a total of the Standard Maximum Deposit Insurance Amount ("SMDIA") per depositor at the Merrill Lynch Affiliated Bank. The SMDIA is \$250,000 per depositor, per ownership category. Merrill Lynch is not an FDIC-insured bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Each individual depositor receives up to the SMDIA of FDIC insurance and each joint account with two depositors up to two times the SMDIA of FDIC insurance. It is your responsibility to monitor the total amount of your deposits with the BANA and BA-CA to determine the extent of insurance coverage available on your deposits. It is important to note that uninvested cash held in more than one Merrill account (such as a CMA) may be deposited to the same BANA and BA-CA. Also, amounts in excess of the applicable FDIC insurance limit may be deposited to the BANA and BA-CA from the same Merrill account. Any accounts or deposits (e.g., CDs) maintained with BANA and/or BA-CA in the same legal ownership category, whether directly, through other Merrill Lynch accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes.

The Securities Investor Protection Corporation ("SIPC") does not cover cash on deposit at the Merrill Lynch Affiliated Banks. You may obtain further information about SIPC, including the SIPC Brochure, via SIPC's website at [www.sipc.org](http://www.sipc.org) or by calling SIPC at **202.371.8300**.

Merrill reserves the right to offer different Sweep Programs for different accounts or clients. Merrill, may, with 30 days prior written notice, (i) make changes to the terms and conditions of our Sweep Program; (ii) make changes to the terms and conditions of any money account; (iii) change, add or remove

the money account available as sweep product; (iv) transfer your money account from one sweep product to another. Available cash balances are automatically swept into the primary money account. You affirmatively consent to having your available cash balances sweep to MLDDP and/or RASP.

### Additional Money accounts

Under the Sweep Program, you may only establish one primary money account for the automatic deposit of cash balances in your account. However, you may establish multiple additional money accounts and make deposits at any time by speaking to your financial advisor. If you have established money accounts in addition to your primary money account, and you do not have sufficient balances in your primary money account, your additional money account balances will be withdrawn to satisfy securities and cash management transactions, including check writing and Visa® Card activity, in or through your account. Ask for the applicable deposit account program disclosures for details on deposits.

Various deposit accounts are available as additional money accounts based on account type. Please contact Merrill Edge Self-Directed Investing at **877.653.4732** to determine if a particular option is available to you to determine applicable rules and minimums (if any).

### Confirmations and statements

In general, when we execute a transaction, we will send you a confirmation summarizing the details. We will not send you a confirmation for certain pre-authorized transactions in securities, including mutual funds, Sweep Program transactions (whether for your primary money market account or any additional money accounts) and any transaction in a money market mutual fund ("Exempt Transactions"). We will send you an account statement (monthly or quarterly, based in part on account type and/or activity) as a record of the securities, cash and other assets held by us and the activity in your account for the time period covered by the statement. Your statement will serve as a confirmation of any Exempt Transactions. The statement will also give you year-to-date information on dividends and interest received, as well as market prices of the securities in your account, if available.

### Automatic Liquidation of Additional Money accounts

If you have a retirement account and the funds within your primary money account are depleted, we will automatically liquidate your Additional Money accounts in the following order to satisfy obligations to your account(s): Retirement Reserves I, Retirement Reserves II, Ready Asset Trust.

If you have a CMA Account and the funds within your primary money account are depleted, you may select the order in which your Additional Money accounts are automatically liquidated to satisfy obligations to your account(s) by speaking with Merrill Edge Self-Directed Investing at **877.653.4732**, or view your account agreement.

## 15. Representations as to account ownership and capacity to enter into agreement

You represent that no one except the person(s) signing this Agreement, or the beneficial owner(s) if signed in a representative capacity, has an interest in this account or any additional accounts opened in the future for you or for such beneficial owner(s). If this account is beneficially owned by any person who is U.S. Securities and Exchange Act Section 16 reporting person of a U.S. public company, you represent that no funds or assets belonging to such U.S. public company, or any entity affiliate of such U.S. public company, will be invested through this account. If this is an individual account, you represent that you are of legal age to contract in your jurisdiction of residence and that you are not employed by a broker-dealer or other employer whose consent is required to open and maintain this account by regulation or otherwise, unless such consent has been provided to you. If any of the foregoing representations is inaccurate or becomes inaccurate, you will promptly so advise.

You acknowledge that you fully understand English and that written documents, agreements and information concerning your relationship with Merrill, including but not limited to products, services, transactions and your accounts will be provided to you in English.

## 16. Electronic fund transfers

If you maintain more than one account with Merrill with the same ownership type, you may transfer funds to and from each account through Merrill's electronic funds transfer services.

You authorize Merrill to accept your telephonic or electronic instructions for those transfers.

If you open any account as the trustee for a grantor revocable living trust, you represent and warrant to Merrill that:

- The trust permits the funds transfers you are authorizing; or
- If applicable, such funds transfers represent valid partial or total revocations by you and Merrill may conclusively rely on this representation.

## 17. Third-party research

Merrill may offer you access to third-party research on certain U.S. and non-U.S. equity and fixed income securities. You agree that neither Merrill nor any of its affiliates bears any responsibility or liability for third-party research or its content that may be made available to you.

You assume full responsibility for any trading decision you make based on third-party research. Access to third-party research is provided for informational purposes only and does not constitute investment advice. Merrill does not endorse or otherwise adopt third-party research reports or ratings.

## 18. Custody of securities

Merrill will hold all securities for the Securities account in a control location acceptable to the Securities and Exchange Commission, which may include, but is not limited to: (i) a securities depository, such as the federally regulated Depository Trust Company for U.S. issuers and Euroclear for European issuers, (ii) a Federal Reserve member bank, or (iii) a mutual fund's Transfer Agent. Securities are commingled in a Merrill book-entry account, generally held in nominee name at the control location, along with securities belonging to other Merrill customers. Your securities will at all times be separately identified on the books and records of Merrill as belonging to you, and Merrill will provide you with account statements that reflect your holdings. This method of custody, which has significantly increased efficiencies and reduced the risks associated with holding customer securities, is used by all major banks, trust companies and brokerage firms and has been recognized as providing unsurpassed safety for holders of securities. With regard to the custody of your securities, Merrill acts as your agent and transmits your instructions through the appropriate control location.

Where securities are not held in nominee name, the issuer or control location, as appropriate, recognizes Merrill as your agent and honors instructions provided by Merrill on your behalf.

## 19. Referral Policy

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") is an affiliate of Bank of America, N.A. and other subsidiaries of Bank of America Corporation (collectively, "Merrill"). Merrill is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses, institutional investors, large corporations and governments with a full range of banking, investing, asset management and other financial and risk management products and services. In the event Merrill refers your business among its affiliates to provide you with certain products or services, Merrill (or its employees or representatives) may receive financial or other benefits for such referrals.

## 20. Freezing Accounts

If at any time Merrill believes that your account may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, in our discretion, freeze the assets in the account and in other accounts you maintain with us until such time as we are able to complete our investigation of the account and transactions. If we do freeze your account assets, we will provide notice to you as soon as reasonably possible. Notice may be made by mail or verbally or provided by other means such as via [www.merrilledge.com](http://www.merrilledge.com), where applicable. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to us or to the owner of the funds in the account.

## 21. Unclaimed property—accounts presumed abandoned

State and federal law and Merrill policy govern when accounts are considered abandoned. The applicable state law is generally the state listed as the primary mailing address for your account. Your account could be considered abandoned after one piece of mail is returned to us by the U.S. Postal Service. For accounts with electronic statement delivery preferences, if the Firm attempts to deliver your correspondence electronically and we receive notice that your email address is no longer valid, Merrill will mail via U.S. Postal Service a notice to the primary mailing address on your account asking that you update your email address. If your mailing address is invalid and the mailed notice is returned by the post office, your account may be considered abandoned. Also, your account may be considered abandoned if there has not been any client-initiated activity for a period of three to five years. Client-initiated activity includes, but is not limited to, reviewing account activity online, calling a Merrill call center, transacting in your account, or voting proxies.

Merrill is required by the unclaimed property laws to turn over accounts considered abandoned to the applicable state. Before Merrill turns over an abandoned account, the Firm may send a notice to the primary mailing address on the account. Merrill may also utilize a third-party search vendor to locate a better address to notify you of your abandoned account prior to turning your account over to the state of last known address. After Merrill turns the funds over to the state, Merrill has no further liability to you for the funds and/or securities. You must apply to the appropriate state agency to claim your funds. The state may liquidate any securities once your shares are remitted to them.

If Merrill considers your account abandoned, then (unless prohibited by federal or state law) we may:

- Stop sending correspondence.
- Refuse to pay items drawn on or payable out of the account.
- Charge regular account fees according to the type of account you maintain with us.

If you re-establish contact with Merrill, we do not have to reimburse you for these fees.

## 22. Account owners with Texas mailing address

Clients with a mailing address in the state of Texas may appoint a designee who can respond to abandoned property notifications on the client's behalf and prevent an account from being classified as abandoned and turned over to the state of Texas. Please contact Merrill Edge Self-Directed Investing at 877.653.4732 or the Abandoned Property Department at 800.581.5858 for additional information.

## 23. Rejection of Payment Orders

Merrill and/or Bank of America may reject payment orders (e.g., wire transfers, checks, etc.). We will notify you of any rejection orally, electronically or in writing. If we send written notices by mail, we will do so by the end of the next business day. We are not liable to you for the rejection or obligated to pay you interest for the period before you receive timely notice of rejection.

## 24. Revised Uniform Fiduciary Access to Digital Assets Act

In connection with the Revised Uniform Fiduciary Access to Digital Assets Act ("RUFADAA") and applicable state enabling statutes, Merrill will provide an authorized fiduciary for a Merrill client, as determined by Merrill, with "read-only" online access to such client's account(s) provided that the client's fiduciary creates his/her own user name and password, complies with the terms and conditions set forth in the Brokerage Website Terms and Conditions, as appropriate and provides Merrill with any additional requested documentation. Online access is at all times subject to the terms, conditions and requirement applicable to websites and/or mobile applications, including any requirements for access. If Merrill determines that online access cannot be reasonably granted to such authorized fiduciary, hard copies of the information/documents requested by the authorized fiduciary may be provided.

Merrill, its affiliates and financial advisors do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

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# Merrill Edge<sup>®</sup> Self-Directed Investing Terms of Service

These Merrill Edge<sup>®</sup> Self-Directed Investing Terms of Service (the "Terms of Service") are made between Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") and you and govern your Merrill Edge Self-Directed Investing Account Relationship. "You" and "your" refers to each Merrill Edge Self-Directed Investing Account owner.

In the case of an entity, "you" and "your" refers to the entity, and by enrolling, the entity agrees that access to Merrill Edge Self-Directed Investing shall be restricted to Authorized Representatives (as defined in the Account Agreement) for such entity and that the entity will be liable for all acts or omissions of such Authorized Representatives in violation of these Terms of Service.

Merrill Edge Self-Directed Investing (also referred to herein as "MESD") is the marketing name for certain brokerage services offered to clients on a self-directed basis through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"). For the purpose of the Merrill Edge Self-Directed Terms of Service, Merrill and MESD, which are made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), refer to certain brokerage services offered to clients on a self-directed basis through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") and which are the subject of these Terms.

When you agree to these Terms of Service, you are agreeing that such terms will apply to all of your MESD Accounts, transactions and services.

These Terms of Service incorporate all disclosures displayed on the Merrill Edge Self-Directed Investing website from time to time, including our fees and commissions, and they supplement the Merrill Edge Self-Directed Client Relationship Agreement which you are required to sign as well as your Merrill Edge Self-Directed Investing Cash Management Account Agreement and/or your Merrill traditional IRA or IRA Rollover Custodial Agreement or Roth Individual Retirement Account Agreement and/or your Merrill Edge Self-Directed Investing Business Investor Account Financial Service Account Agreement and/or your Merrill Retirement Cash Management Financial Service Account Agreement and/or your Merrill Simple Retirement Account Custodial Agreement and/or your Merrill Simplified Employee Pension Program Agreements, as applicable, which otherwise remain in full force (and all such account types, and any account types that may be introduced by MESD from time to time, will herein be referred to as "Account"). By using Merrill Edge Self-Directed Investing, you are representing to Merrill and its licensors and Information Providers that you are at least eighteen years old (or the minimum legal age in your jurisdiction).

Merrill reserves the right to add, delete or modify MESD functionality and trading rules and to amend or supplement these Terms of Service or any other agreement among or between the parties upon notice, such notice delivered by regular mail, by email, by an on-screen alert or via the Merrill websites. In particular, Merrill reserves the right upon notice to change its fees, to add fees for items for which it does not currently charge and to institute an inactivity fee for periods in which there is no fee-generating activity in your Account. Merrill also reserves the right to terminate your enrollment in Merrill Edge Self-Directed Investing at any time for any reason without notice.

Merrill Lynch, Pierce, Fenner & Smith Incorporated offers its products, accounts and services through different service models (e.g., self-directed, full-service). Based on the service model, the same or similar products, accounts and services may vary in their price or fee charged to a client.

## 1. Nature of the Merrill Edge Self-Directed Investing Service

Merrill Edge Self-Directed Investing is designed for U.S.-based investors who wish to make their own investment choices in a Merrill Lynch, Pierce, Fenner & Smith Incorporated brokerage account.

Neither Merrill, nor MESD, nor any Merrill or MESD representative will provide you with investment advice, including any recommendations, or offer any opinion regarding the suitability of any security, order, transaction, or strategy in a Merrill Edge Self-Directed Investing Account, or monitor your investment or the appropriateness of your account or service level, or alert you to any recommended change to your investments, investment accounts, or services. Neither Merrill nor MESD, nor any Merrill or MESD representative, will provide any tax or legal advice.

No Merrill Research opinion, Independent Research opinion, the inclusion of a security on any list, or any information provided to you either on the Merrill website or by mail or any other means constitutes a recommendation to you to purchase, hold or sell any investment. By entering into this Agreement, you agree that any transactions executed through your Merrill Edge Self-Directed Investing Account, whether based on information obtained from Merrill or elsewhere, will be solely your own decision and based on your own evaluation of your personal financial situation, needs, and investment objective(s).

In addition to retaining the sole responsibility for investment decisions, you understand and agree that you are responsible for knowing the rights and terms of all securities in your account, specifically including valuable rights that expire unless the holder takes action. This includes, but is not limited to, warrants, stock rights, convertible securities, bonds, and securities subject to a tender or exchange offer. You understand and agree that Merrill accepts no obligation to notify you of any upcoming expiration or redemption dates, or, except as required by applicable law or regulation, to take any action on your behalf without specific instructions from you. You also agree that all dividends and interest payments credited to your account shall accumulate rather than be paid to you upon receipt, but shall be subject to your withdrawal from time to time upon request for a check or other funds transfer.

Notwithstanding the foregoing, in its capacity as an investment adviser Merrill may provide investment advice or recommend securities transactions or investment strategies to you within certain investment advisory programs. To enroll in such an investment advisory program, such as the Merrill Guided Investing Program, you may be required to establish and maintain a Merrill Edge Self-Directed Investing Account. Merrill acts as an investment adviser and not a broker-dealer for the investment advisory services provided within these investment advisory programs. To the extent that Merrill provides investment advice or recommends any securities transactions or investment strategies to you within any such investment advisory program, you understand and agree that Merrill does so in its capacity as an investment adviser and not as a broker-dealer. You will be required to enter into a separate agreement with Merrill and its affiliates to participate in an investment advisory program. The terms governing any such investment advisory program will control if there are any inconsistencies with the terms of these Terms of Service. If your account serves as the securities account for a Merrill investment advisory program, certain features of Merrill Edge Self-Directed Investing, such as the Margin Lending Program, check writing, and Visa cards, may not be available to you. If your account serves as the securities account for a Merrill investment advisory program and if, for any reason, you terminate from the investment advisory



program without transferring the securities and assets out of your account, your account will be a Merrill Edge Self-Directed Investing Account without any investment advisory relationship. As such, and as explained more fully in the preceding paragraphs, neither Merrill, nor any Merrill representative, will provide any investment advice or give any advice or offer any opinion regarding the suitability of any security, order or transaction in a Merrill Edge Self-Directed Investing Account.

## 2. Account Data Access; User ID and Password; Safeguarding Credentials

Merrill Edge Self-Directed Investing is intended to be delivered to you via the Internet using commercially available third-party web browsers. Merrill Edge Self-Directed Investing permits you to view account data for your primary Merrill Account and any other accounts that are linked to such primary Account from time to time. By using Merrill Edge Self-Directed Investing, you represent on a continuing basis that you are authorized to have viewing access to any Account for which you and other linked account parties have requested linking of Accounts. Merrill allows each account holder to create a separate User ID and Password for each Merrill Edge Self-Directed Investing Account. You agree that each account holder shall be responsible at all times for maintaining the confidentiality of their personal information and their User ID and Password and will not make them available to other account holders or any third parties. If you do allow other account holders or third parties to access Merrill Edge Self-Directed Investing (including your accounts) using your personal information or your User ID and Password, you agree to hold Merrill, its directors, officers, employees, agents and affiliates (collectively, "Other Persons") harmless and to indemnify Merrill and all Other Persons against any liability, costs or damages arising out of claims or suits by any account holder, including yourself, or such third parties based upon or relating to such access. If you believe that someone has used your credentials, such as your User ID and Password, to access Merrill Edge Self-Directed Investing without your authorization, you agree to contact our Merrill Edge Self-Directed Investment Center immediately at 877.653.4732.

All daily Account data is provided as a convenience and for your information, but it is not the official record of your Account activity with Merrill; your Merrill Account statement provided to you online each month (or by mail quarterly or monthly as required) is such official record. Account data provided through Merrill Edge Self-Directed Investing is generally updated as of the prior business day's close of business, but is subject to adjustment and correction.

Merrill may also collect and/or use certain information from or through your browser or device. Most browsers and/or devices (including your computer, tablet and mobile phone) collect certain information, including but not limited to your Media Access Control (MAC) address, device type, screen resolution, operating system version, internet browser type and version, local date and time, and the prior web page visited leading you to our websites. Merrill uses this information to ensure our websites function properly, for fraud detection and prevention, and security purposes. For more information about our privacy and security practices and a link to our Privacy Notice for U.S. Consumer Customers and U.S. Online Privacy Notice, go to our website at [www.ml.com/privacy](http://www.ml.com/privacy).

## 3. Account Application Process and Delivery of Communications

You may be able to apply for an Account by completing the Account application process (1) via the internet; (2) via a hardcopy paper application; or (3) via an iPad or other device that is owned and provided by Bank of America and/or Merrill in a Bank of America, N.A. Financial Center. You must have a valid email address to open any Merrill Edge Self-Directed Investing Account. You agree that you will provide us with a valid email and postal mailing address, and that you will immediately notify us of any changes to your email or mailing addresses.

With the exception of Small Business 401(k) accounts (which are discussed in more detail below), if you complete the Account application process via the internet, you must consent to the Electronic Communications Disclosure ("eCommunications Disclosure"). Your consent to the eCommunications Disclosure allows us to provide communications to you electronically. The eCommunications Disclosure also provides important information about paperless delivery, such as, among other things, the types of communications you can receive electronically and the hardware and software required to receive communications electronically. As discussed in Section 4 of the eCommunications Disclosure, we may, at times and in our sole discretion, mail you a paper copy of certain communications even if you agree to electronic delivery by consenting to the eCommunications Disclosure.

If you complete the Account application process via a hardcopy paper application or via the iPad or other device that is provided by Bank of America and/or Merrill in a Bank of America, N.A. Financial Center, you agree to receive all notices, statements, disclosures and other information regarding your Account in paper form, delivered to your last-designated postal mailing address unless and until you elect to change the method of delivery for documents and other written communications to electronic delivery. In order to make that change, you will be required to (1) enroll in [www.merrilledge.com](http://www.merrilledge.com), which is an internet-based service that provides 24-hour access to Account information, Merrill research and investment information, market data, and news; (2) demonstrate access to the information available via [www.merrilledge.com](http://www.merrilledge.com); and (3) affirmatively consent to the eCommunications Disclosure.

Note regarding Small Business 401(k) accounts: You must complete the application process via the internet, but you will not be required to consent to the eCommunications Disclosure as you do not have the option to exclusively receive communications related to this Account electronically. Some communications, such as Account statements, may be retrieved via the internet, but all communications will be delivered in paper.

## 4. Corporate Actions

It is important to understand corporate actions (such as stock splits, tender offers, rights issues, etc.) and how they can affect your investments. In certain instances outside of our control, issuers may provide late notice on voluntary corporate action events which, in turn, delays notices from being delivered to you. Merrill will make best efforts to notify you as soon as practically possible of a corporate action, but due to printing and mailing timelines, some notices may be delivered late, even past the deadline. Enrolling in Online Delivery of Service Notices will help ensure the timeliest delivery possible of corporate action notices and also give enhanced flexibility, convenience, and visibility on your accounts. Merrill may also provide corporate action notices to you on voluntary events where eligibility restrictions apply. We will ensure that all shareholders are notified of these type of events, although it is your responsibility to determine whether you are eligible to participate in an event based on the terms of the notification.

## 5. Hyperlinks

Merrill may make available links from its websites to other third-party websites or electronic services providers that are not affiliated with Merrill. Merrill does not control these other websites or services, and Merrill has not adopted and makes no representations or endorsements whatsoever concerning those websites or services. The fact that Merrill has provided a link to a website is not an endorsement, authorization, sponsorship, or affiliation with respect to such website, its owners, or its providers. There are risks in using any information, software, service or product found on the Internet and Merrill cautions you to make sure you understand these risks before retrieving, using, or relying upon anything via the Internet. You agree that under no circumstances will you hold Merrill liable for any loss or damage caused by use of or reliance on any content, goods or services available on such other websites.

## 6. Quotes, News and Research; Use of Data and Information

Quotes, news, research, ratings and other information provided through Merrill Edge Self-Directed Investing are obtained from sources we believe to be reliable, but we cannot guarantee the accuracy, timeliness or completeness of such information for any particular purpose. Such data and information and any Merrill Research or independent research opinions provided do not constitute investment advice, or a solicitation by Merrill for the purchase or sale of any securities, or a representation that any securities are suitable for you.

All such data and information is protected by copyright and other intellectual property laws and may only be used for personal and non-commercial use, and not for providing professional investment advice or for providing securities processing services or other similar back office functions. If you download any information from Merrill Edge Self-Directed Investing for your personal reference, you agree that you will not remove or obscure any copyright or other notices contained in any such information. Except as provided in the preceding sentence, you agree not to copy, reproduce, modify, sell, distribute, transmit, display, perform, circulate, transfer, broadcast, create derivative works from, publish, or use for any commercial or unlawful purpose any quotes, news, research, text images, audio, video or other information you receive through Merrill Edge Self-Directed Investing.

Merrill and its licensors and Information Providers (as defined in Section 14 below) may change or discontinue any quotes news, research or other information at any time provided within Merrill Edge Self-Directed Investing at any time.

Merrill offers you access to Independent Research on all domestic and selected international stocks covered by Merrill Research under the terms of an agreement with regulators. The providers of this independent Research are chosen by an Independent Consultant, not by Merrill. You agree that Merrill will not be responsible or liable for (i) the procurement decisions of the Independent Consultant with respect to the Independent Research, (ii) the Independent Research or its content (iii) customer transactions, to the extent based on the Independent Research, or (iv) claims arising from or in connection with the inclusion of Independent Research ratings in confirmations and Account statements, to the extent such claims are based on those ratings. You also agree that Merrill will not be required to supervise the production of the Independent Research procured by the Independent Consultant and will have no responsibility to comment on the content of the Independent Research.

## 7. Financial Tools, Education and Calculators

Merrill Edge Self-Directed Investing may also provide you with financial tools and education, including calculators. The tools and calculators may allow you to model "what-if" scenarios for various financial goals, the results of which are illustrative and are based on the information and assumptions identified. There is no guarantee that the results shown will be achieved, and changes in tax laws, financial markets or your financial situation may cause actual results to deviate substantially from those reflected in these tools. In addition, these tools and calculators are not part of any financial report for which you may have paid a fee, even if the tools and calculators include information derived from or contained in the financial report. In addition, no tools, education or calculators are intended to provide individual product recommendations or investment strategies.

## 8. Phone Service

Merrill Edge Self-Directed Investing phone-based representatives are available 24 hours per day, 7 days per week. These representatives are available to assist you with various administrative functions related to applying for and opening Accounts and providing you with access to [www.merrilledge.com](http://www.merrilledge.com). They can also assist with various requests related to your Account, such as address changes, name changes, changes to the beneficiaries designated on your Account (if applicable), and money movement requests, among other things.

Merrill Edge Self-Directed Investing phone-based representatives are also available to you for technical support between the hours of 7:30 a.m. and 6:00 p.m. Eastern, Monday through Friday. You understand and agree that the services described above are only examples of the types of services that the phone-based representatives may be able to perform, and that Merrill reserves the right to change the services and functions that the phone-based representatives may perform from time to time.

Merrill Edge Self-Directed Investing phone-based representatives will not provide investment advice or investment recommendations or offer any opinion regarding the suitability of any security, order, transaction or strategy in a Merrill Edge Self-Directed Investing Account. Merrill Edge Self-Directed Investing phone-based representatives will not provide any tax or legal advice.

Merrill Edge Self-Directed also provides an automated phone service referred to as the MESD IVR. Through the MESD IVR, you are able to request security quotes and review account information, such as balances, account holdings, and recent activity.

## 9. Email

Two email or electronic mail options are available via [www.merrilledge.com](http://www.merrilledge.com), unsecured email and electronic mail via the Secure Message Center. You agree that neither unsecured email nor the Secure Message Center is to be used to request, authorize or effect the purchase or sale of any securities or other investments, to send funds transfer instructions, or for any other financial transactions that require real-time communication or more formal written authorization in accordance with applicable law or Merrill policies. Any such requests, orders, or instructions that you send via email in contravention of the foregoing agreement will not be accepted and will not be processed by Merrill. Merrill will not be responsible for any loss or damage that could result from your supplying us with personal information via email or your requests, orders or instructions not being accepted or processed in accordance with the preceding sentence.

## Unsecured Email

Unsecured email is available via the Help & Support link prior to client login. Unsecured email provides individuals with the opportunity to send messages concerning Merrill procedures and general Merrill questions. No Account-specific information will be provided in response to a message received via unsecured email. Additionally, Merrill will not open any documents or files that are attached to or submitted via unsecured email.

## Secure Message Center

The Secure Message Center is available to you after logging in to [www.merrilledge.com](http://www.merrilledge.com) as a secure email tool to contact Merrill representatives. Through the Secure Message Center, you can submit Account-specific inquiries to Merrill. You can also submit documents to Merrill via the Secure Message Center and perform or request certain administrative functions. You understand and agree that Merrill may change the functionality of the Secure Message Center from time to time.

## 10. Order Entry Security

Merrill allows each Account holder to create a separate User ID and Password for each Merrill Edge Self-Directed Investing Account. You agree that each Account holder shall be responsible for all orders entered through Merrill Edge Self-Directed Investing using the User ID and Password initially created or changed by the Account holder regardless of who enters such orders. You agree that each account holder shall be responsible at all times for maintaining the confidentiality of their personal information and their User ID and Password and will not make them available to other account holders or any third parties. If you do allow other account holders or third parties to access Merrill Edge Self-Directed Investing (including your accounts) using your personal information or your User ID and Password, you agree to hold Merrill, its directors, officers, employees, agents and affiliates (collectively, "Other Persons") harmless and to indemnify Merrill and all Other Persons against any liability, costs or damages arising out of claims or suits by any account holder, including yourself, or such third parties based upon or relating to such access.

## 11. Order Entry Trading Rules

Merrill Edge Self-Directed Investing allows you to enter orders to buy and sell U.S. market traded equities, including exchange-listed and widely-held over-the-counter stocks, a wide selection of mutual funds, and certain bonds and certificates of deposit. Merrill Edge Self-Directed Investing is not designed to be a brokerage service for investors who trade in low-priced securities or foreign securities. Merrill intends to maintain an order entry policy for low-priced stocks and other trading rules, which will be subject to change from time to time upon posting on the Merrill Edge Self-Directed Investing site or the optional Merrill Mobile Brokerage service. Merrill Edge Self-Directed Investing is intended to be available for order entry seven (7) days a week, twenty four (24) hours a day, except for brief maintenance periods; however, Merrill does not warrant that the service will be uninterrupted. Orders sent outside of regular U.S. Market hours will be held and entered on the primary market during market hours on the next trading day. Certain orders may be blocked or subject to pre-review by Merrill, which may take up to several minutes to process. Merrill reserves the right to place restrictions on your Account in its sole discretion, and to cancel any order that we believe would violate federal credit regulations or other regulatory limitations; however, Merrill will have no responsibility or liability for failing to cancel any order.

## 12. Your Responsibilities Regarding Order Entry

All orders entered through Merrill Edge Self-Directed Investing shall be subject to the applicable rules, customs and usages of the exchange or market, and its clearinghouse, on which such orders are transacted by Merrill, including our affiliates, including cancellation of orders in certain circumstances. Whether or not funds are available in your Account on trade date, you agree to pay by settlement date for any trade for which you place an order through Merrill Edge Self-Directed Investing. You agree that you will immediately notify Merrill by telephone and confirm the same in writing if you become aware of any discrepancy in your Account balance or security positions or if you have reason to believe that a third party is using your User ID and Password without your authority. If you fail to notify Merrill when any of the above conditions occur, neither Merrill nor any Other Persons shall have any responsibility or liability to any account holder or any other person claiming through any account holder for any claims with respect to the handling, mishandling or loss of any order. You agree to accept full responsibility for the monitoring of your Account with respect to all transactions entered.

### 13. Limitation on Merrill's Responsibilities and Liability

You agree that Merrill will not be responsible for the accuracy, completeness or use of any market data news or research information provided through Merrill Edge Self-Directed and Merrill does not make any warranty concerning such information. You further agree that all orders placed through Merrill Edge Self-Directed Investing are at your sole risk and responsibility based on your own evaluation of your financial circumstances and investment objectives. Merrill Edge Self-Directed Investing may display on the order entry screen Merrill Research's quality rating and investment opinion on companies, if available, as well as Independent Research opinions; however, such information and opinions by themselves do not constitute investment advice, or a solicitation or recommendation by us for the purchase or sale of any securities, or a representation that any securities are suitable for you.

You understand and agree that Merrill Edge Self-Directed Investing utilizes the Internet to transport data and communications. Merrill will take reasonable security precautions to safeguard data and communications; however, Merrill disclaims any liability for interception and/or use of any such data or communications. You agree that neither Merrill nor any third party working with Merrill to provide services hereunder shall be responsible for any damages caused by communications line failure, systems failure, and other occurrences beyond their control, or from any unauthorized trading or theft by any third party who gains access to your Account by use of your User ID and Password as a result of your intentional or unintentional conduct, including negligence by you. Merrill will not be responsible for any access costs you incur to connect to Merrill Edge Self-Directed Investing.

Neither Merrill nor any third party makes any representations or warranties expressed or implied with respect to Merrill Edge Self-Directed Investing, including without limitation, any implied warranties of merchantability or fitness for a particular purpose. To the extent permitted by law, under no circumstances, including negligence, will Merrill or any of its affiliates, directors, officers or employees, or any third party vendor be liable or have any responsibility of any kind for any loss or damage that you incur in the event of any failure or interruption of Merrill Edge Self-Directed Investing, or resulting from the act or omission of any other party involved in making Merrill Edge Self-Directed Investing available to you, or from any other cause relating to your access to or use of Merrill Edge Self-Directed Investing, whether or not the circumstances giving rise to such cause may have been within the control of Merrill or of any vendor providing software or services support for Merrill Edge Self-Directed Investing. In no event will Merrill or any such parties be liable to you for any special, indirect, consequential or incidental damages even if Merrill or any other party have been advised of the possibility thereof. Any liability arising out of any action or omission by Merrill or any such parties shall be limited to an amount equal to the benefit which the transaction would have resulted in during the period between the date of a trade and the applicable time for settlement of such trade.

### 14. Executing Your Order

We do business with our clients in two ways: as an agent or as a principal.

**As an agent**—We act as an agent in many listed and unlisted securities, obtaining a buyer or seller for you. Depending on your service model and account type, we may add a commission to the execution price.

**As a principal**—We or our affiliates act as a principal in many listed and unlisted securities, buying from sellers and selling to buyers. There may appear on your confirmations from time to time the words, "We or our affiliate may act as principal." This means that Merrill or its affiliates are buying or selling that particular security, acting as a dealer, and maintaining their own inventory for that purpose. To the execution price (with the exception of underwriting transactions), we add a charge on the buy side called a "markup" and we subtract a "markdown" on the sell side.

Our role as agent or principal, and the marketplace in which your transaction was effected, is disclosed on your confirmation. In either role, our objective is to find a competitive execution price for you.

### 15. Order Execution and Routing Disclosures

**Exchange-listed securities**—When you buy or sell round lots (usually 100 shares) of listed stocks, or when you buy or sell listed options, we generally route your order through a routing system to what are expected to be the best execution venues for the order. We handle your order so as to obtain a competitive execution price in line with our regulatory obligations. Our electronic order-processing system automatically channels your order to an appropriate market center given the characteristics of the order, market data and trading statistics. Our trading desks, or the trading desks of one or more of our affiliates, may be one of these market centers or venues where the execution may occur. If that is the case, your confirmation will indicate that we acted as principal in connection with the purchase or sale transaction.

We have in place effective internal controls, including information barriers, to prevent the inappropriate sharing of order information among our equity trading desks. In this regard, each of our equity trading desks independently conducts its trading activities. To the extent permitted by rule or law, when a Merrill equity trading desk or unit (including a market-making desk or unit that engages in block positioning and provides firm bid/offer quotes) handles your equity orders, other equity trading desks or units of Merrill or its affiliates may separately transact—without knowledge of your orders—for their principal accounts at prices that would satisfy your orders. Conversely, if your orders are handled by an equity trading desk or unit of Merrill or its affiliates, and no attempt is made to obtain liquidity for your orders from our market-making desk or the market-making desk of one of our affiliates, you should understand that the market-making desk may separately transact—without knowledge of your orders—for its principal at prices that would satisfy your orders. In either case, the execution prices of any trading desk or unit that did not handle your order, transacting for its principal accounts, could be better, the same, or worse than the prices you receive for the same security.

**Over-the-counter markets**—Securities that are not listed on an exchange may be traded in the over-the-counter markets. Merrill and its affiliates may be participants in an over-the-counter market and execute your orders as principal.

Merrill fully complies with SEC and FINRA order handling requirements. We handle your order so as to obtain a competitive execution price. We regularly monitor the quality of our executions. This includes reviewing the order flow sent to Merrill affiliates who may support or provide order routing and/or execution services on our behalf, as well as to certain third-party broker-dealers or counterparties who we authorize as our liquidity providers. We take into account many factors in determining the quality of executions and to inform our routing decisions for retail-sized held orders. This includes, for National Market System equity securities, certain industry metrics, including but not limited to execution prices in relation to the publicly quoted spread at the time (referred to as "effective over quoted" or E/Q), to the extent such reference data is available.

Under FINRA rules, we are required to disclose to you descriptions of stop quote and stop quote limit orders. Depending on your Merrill service channel, you may have the option to place one or both of these order types. Merrill may execute any of these orders itself or through one or more of its affiliates.

**A stop quote order** is a market order to buy or sell when the bid quote or offer quote, as applicable, reaches a specified price.

**Equity sell stop quote orders** are placed at a stop price below the current market price and will trigger if the national best bid quote is at or lower than the specified stop price.

**Equity buy stop quote orders** are placed at a stop price above the current market price and will trigger if the national best offer quote is at or higher than the specified stop price.

**Option sell stop orders** are placed at a stop price below the current market price and will trigger if the national best offer is at or lower than the specified stop price.

**Option buy stop orders** are placed at a stop price above the current market price and will trigger if the option trades or has a prevailing bid quote at or higher than the specified stop price on the exchange to which the order is routed. Once triggered, a stop quote order becomes a market order (buy or sell, as applicable), and execution prices can deviate significantly from the specific stop price. For equities, a stop quote order is not guaranteed to execute as the order will not be triggered unless the stop price is reached. For listed options, a stop order is not guaranteed to execute as the order will not be triggered unless the stop price is reached and, even if triggered, your order may not be executed if there is no prevailing bid quote (in the case of a sell stop order) or a prevailing offer quote (in the case of a buy stop order) available on the exchange to which your order is routed.

A **stop quote limit order** combines the features of a stop quote order and a limit order.

**Equity sell stop quote limit orders** are placed at a stop price below the current market price and will trigger if the national best bid quote is at or lower than the specified stop price.

**Equity buy stop quote limit orders** are placed at a stop price above the current market price and will trigger if the national best offer quote is at or higher than the specified stop price above the current market price and will trigger if the option trades or has a prevailing bid quote at or higher than the specified stop price on the exchange to which the order is routed. Once triggered, a stop quote limit order becomes a limit order (buy or sell, as applicable) at a specified limit price, and execution may not occur as the market price can move away from the specified limit price. For equities, a stop quote limit order is not guaranteed to execute as the order will not be triggered unless the stop price is reached and, even if triggered, your order may not be executed as the market price can move away from the specified limit price. For listed options, a stop limit order is not guaranteed to execute as the order will not be triggered unless the stop price is reached and, even if triggered, your order may not be executed if there is no prevailing bid quote (in the case of a sell stop limit order) or a prevailing offer quote (in the case of a buy stop limit order) available on the exchange to which your order is routed or if the market price moves away from the specified limit price.

**Option sell stop limit orders** are placed at a stop price below the current market price and will trigger if the option trades or has a prevailing offer quote at or lower than the specified stop price on the exchange to which the order is routed.

**Option buy stop limit orders** are placed at a stop price above the current market price and will trigger if the option trades or has a prevailing bid quote at or higher than the specified stop price on the exchange to which the order is routed. Once triggered, a stop quote limit order becomes a limit order (buy or sell, as applicable) at a specified limit price, and execution may not occur as the market price can move away from the specified limit price. For equities, a stop quote limit order is not guaranteed to execute as the order will not be triggered unless the stop price is reached and, even if triggered, your order may not be executed as the market price can move away from the specified limit price. For listed options, a stop limit order is not guaranteed to execute as the order will not be triggered unless the stop price is reached and, even if triggered, your order may not be executed if there is no prevailing bid quote (in the case of a sell stop limit order) or a prevailing offer quote (in the case of a buy stop limit order) available on the exchange to which your order is routed or if the market price moves away from the specified limit price.

Often for those securities in which Merrill or one of its affiliates makes a market, we will use best efforts to execute larger-sized client orders by testing whether, and how much, stock can be bought at currently displayed quotes, in addition to what is reflected in the quote of Merrill or its affiliate. We may then manually execute client orders based on the liquidity we are able to access, which may involve the simultaneous execution of one or more client orders received over a period of time. Those orders may receive executions at prices that approximate the volume-weighted average price during that period. Merrill Lynch routes orders in securities in which we do not make a market to other market makers, which can include one or more of its affiliates or other unaffiliated third-party market makers.

The Securities and Exchange Commission ("SEC") adopted a rule requiring market centers to publicly disclose, on a monthly basis, uniform statistical measures of order execution quality. These measures include, but are not limited to, how market orders of various sizes are executed relative to the public quotes and information about the spreads paid by investors. The SEC has also adopted a rule requiring all brokerage firms to make publicly available quarterly reports on their order routing practices. In accordance with these rules, Merrill's order routing statistics are available for public review by visiting <https://www.ml.com/legal.html> and clicking through the link provided in the "Routing Disclosures Made Pursuant to Rule 606

of SEC Regulation NMS" section. Merrill affiliates may maintain trading desks engaged in market making or other trading functions to which your orders may be routed for execution or from whom an execution price for the transaction may be obtained. The execution disclosures of BofA Securities, Inc., a Merrill affiliate and market center, are available for public review by visiting [https://www.bofam.com/en-us/content/best\\_execution.html](https://www.bofam.com/en-us/content/best_execution.html).

Note: Under SEC rules, we are required to inform you that Merrill does not receive payment for order flow from liquidity providers to which Merrill routes its customer orders in equity securities. Merrill may receive rebates from and pays fees to certain registered securities exchanges for providing or taking liquidity on those exchanges, according to those exchanges' published fee schedules approved by the SEC. In some cases, the rebates received by Merrill from an exchange may, over a period of time, exceed the fees paid to the exchange. Merrill may also participate in the options order flow programs sponsored by the NYSE American Options, the NYSE Arca Options, the Cboe options exchanges, and the Nasdaq options exchanges. These exchange sponsored programs offer payments for listed option orders that are directed to such options markets. In addition, in some cases involving large equity securities trades where you direct that a Merrill affiliate execute your order as principal, Merrill may share in the compensation paid to its affiliate for the affiliate's services.

## 16. Agreement With Information Providers Regarding Market Data

The securities prices, quotations, research, ratings, news and other information provided on Merrill Edge Self-Directed Investing are provided by various third party sources that include, but are not limited to, the New York Stock Exchange, Inc., American Stock Exchange Inc., NASDAQ Stock Market, Inc., The Options Price Reporting Authority, and its participant exchanges, Dow Jones & Company, Inc., Standard & Poor's Financial Services, LLC, Moody's Investor Services, Inc., Morningstar Inc., and their respective affiliates, agents and others, including persons or entities that act as data processors on behalf of the foregoing (collectively, "Information Providers"). By using the Merrill Edge Self-Directed Investing website, you acknowledge and agree that: (1) securities prices, quotations research, ratings, news and other information received from Information Providers ("Market Data") are solely for your individual use and you will not retransmit or furnish Market Data to any other person or entity, except to other officers, partners or employees if you are an entity; (2) the Market Data is and shall remain the property of the respective Information Providers or of the market on which a reported transaction took place or a reported quotation was entered; (3) at any time, Information Providers may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or signal characteristics, and you shall not hold the Information Providers liable for any resulting liability, loss or damages that may arise there from; and (4) your agreements set forth herein and the disclaimers of warrant, and disclaimers of liability set forth below are for the express benefit of the Information Providers as third party beneficiaries and they may enforce these provisions against you.

Notwithstanding any provisions to the contrary contained herein, with respect to Dow Jones & Company, Inc. only: (1) you may, on an occasional and irregular basis, reproduce, distribute, display or transmit an insubstantial portion of the Market Data provided by Dow Jones & Company, Inc. (the "Dow Jones information"), for a non-commercial purpose and without charge, to a limited number of individuals, provided you include all copyright and other proprietary rights notices with such portion of the Dow Jones Information in the same form in which the notices appear on the Dow Jones Information, the original source attribution, and the phrase "Used with permission from Dow Jones & Company"; (2) if you are an entity, you may only retransmit or furnish the Dow Jones information to officers, partners or employees in accordance with the foregoing sentence.

Notwithstanding any provisions to the contrary contained herein, the following additional provisions apply to Market Data provided by Moody's Investor Services, Inc. ("Moody's"): The credit ratings if any, constituting part of the Market Data are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold securities. Each rating or other opinion must be weighted solely as one factor in any investment decision made by or on behalf of any user of the Market Data, and each user must make its own study and evaluation of each security and of each issuer and guarantor of, or of each provider of credit support for, each security that it may consider purchasing, holding, or selling. Moody's hereby discloses that most issuers of debt securities and rated by Moody's have, prior to assignment of any rating, agreed to pay Moody's for the appraisal and rating services rendered by its fees ranging from \$1,500 to \$1,500,000.



These Terms of Service shall remain in effect as to the Information Providers for so long as you have the ability to receive Market Data through the Merrill Edge Self-Directed Investing website as contemplated hereby. In addition, either you or Merrill may terminate your access to Market Data at any time. You understand that Merrill is obligated to terminate access to this site as to the provision of any or all of the Market Data pursuant to this paragraph upon notice to that effect from any of the Information Providers. The foregoing provisions regarding the proprietary nature of Market Data, third party beneficiary enforcement by the Information Providers, and the disclaimer of liability and disclaimer of warranty by the information Providers survive termination of your access to Market Data. These Terms of Service supersede each previous agreement between you and the Information Providers insofar as the superseded agreement pertains to Market Data provided to you through the Merrill Edge Self-Directed Investing website.

#### **Disclaimer of Warranties and Liability Regarding Information Providers and Market Data**

THE MARKET DATA ACCESSIBLE THROUGH the Merrill Edge Self-Directed Investing website IS PROVIDED "AS IS" AND THERE MAY BE DELAYS, OMISSIONS OR INACCURACIES IN SUCH DATA. MERRILL, THE INFORMATION PROVIDERS, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES AND AGENTS CANNOT AND DO NOT GUARANTEE THE ACCURACY, SEQUENCE, COMPLETENESS, CURRENTNESS, TIMELINESS, MERCHANT-ABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT OF THE MARKET DATA MADE AVAILABLE THROUGH the Merrill Edge Self-Directed Investing website AND HEREBY DISCLAIM ANY SUCH EXPRESS OR IMPLIED WARRANTIES. NEITHER MERRILL, THE INFORMATION PROVIDERS, NOR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES AND AGENTS SHALL BE LIABLE TO YOU OR TO ANYONE ELSE FOR ANY LOSS OR INJURY WHETHER OR NOT CAUSED IN WHOLE OR IN PART BY THEIR NEGLIGENCE OR OMISSION IN PROCURING, COMPILING, INTERPRETING, EDITING, WRITING, REPORTING, OR DELIVERING ANY MARKET DATA THROUGH the Merrill Edge Self-Directed Investing website OR BY ANY FORCE MAJEURE OR ANY CAUSE BEYOND THEIR REASONABLE CONTROL. IN NO EVENT WILL MERRILL, THE INFORMATION PROVIDERS, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES OR AGENTS BE LIABLE TO YOU OR ANYONE ELSE FOR ANY DECISION MADE OR ACTION TAKEN BY YOU IN RELIANCE UPON SUCH MARKET DATA OR FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL OR SIMILAR DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, TRADING LOSSES, DAMAGES RESULTING FROM INCONVENIENCE, OR LOSS OF USE OF the Merrill Edge Self-Directed Investing website, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **Incorporation of Market Data Agreements With Exchanges**

BY ACKNOWLEDGING THESE TERMS OF SERVICE, YOU AGREE (A) THAT YOU UNDERSTAND, AND AGREE TO BE BOUND BY, THE AGREEMENT FOR MARKET DATA DISPLAY SERVICES (THE "EXCHANGE AGREEMENT"), THE MATERIAL TERMS AND CONDITIONS OF WHICH ARE INCORPORATED HEREIN; (B) THAT MERRILL IS NOT AN AGENT OF ANY OF THE EXCHANGES OR OF NASDAQ AND IS NOT AUTHORIZED TO DEPART FROM THE EXCHANGE AGREEMENT; AND (C) THAT NO PROVISION MAY BE ADDED TO OR DELETED FROM THE EXCHANGE AGREEMENT AND THAT NO MODIFICATIONS HAVE BEEN MADE TO IT ON YOUR BEHALF. YOU WARRANT THAT YOU ARE LEGALLY ABLE TO UNDERTAKE THE OBLIGATIONS SET FORTH IN, AND THE SIGNATORY IS DULY AUTHORIZED TO BIND YOU TO, THE EXCHANGE AGREEMENT.

THE NASDAQ STOCK MARKET, INC. IS A THIRD PARTY BENEFICIARY TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. TO THE EXTENT THAT YOU HAVE ANY CLAIMS AGAINST NASDAQ ARISING OUT OF THIS AGREEMENT OR THE NASDAQ SUBSCRIBER AGREEMENT, THOSE CLAIMS SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE STATE OF MARYLAND WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW, AND YOU CONSENT TO SUBMIT TO THE JURISDICTION OF THE COURTS OF OR FOR THE STATE OF MARYLAND IN CONNECTION WITH ANY SUCH CLAIM.

BY ACKNOWLEDGING THESE TERMS OF SERVICE, YOU CERTIFY TO THE INFORMATION PROVIDERS, AND TO MERRILL, THAT YOU HAVE READ, UNDERSTAND AND INTEND TO BE BOUND BY THESE TERMS OF SERVICE.

Note: The Funds Transfer Service and Bill Payment Services are governed by separate enrollment terms and conditions, which are available in the Documents & Forms Library, and are not governed by the above Merrill Edge Self-Directed Investing Terms of Service.

#### **17. Callable Securities/ Procedures for a partial redemption**

If you hold securities with us that may be redeemed or called prior to maturity and a partial call occurs, a fair and impartial approach will be used among impacted clients to allocate the securities selected to be called.

For Merrill's allocation procedures, please go to the following link or you may request a hard copy by contacting the Investment Center at 1.877.653.4732.

<https://www.ml.com/legal.html#CallableSecurities>

#### **18. Extended Hours Trading Agreement**

IMPORTANT INFORMATION ABOUT EXTENDED HOURS TRADING THROUGH ELECTRONIC COMMUNICATION NETWORKS.

Due to the nature of the extended hours trading market, trading in the pre-market and after hours through an ECN may pose certain risks which are greater than those present during normal market hours.

##### **Risk of Lower Liquidity**

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.

##### **Risk of Higher Volatility**

Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

##### **Risk of Changing Prices**

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

##### **Risk of Unlinked Markets**

Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

##### **Risk of News Announcements**

Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

##### **Risk of Wider Spreads**

The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Time and Price Priority of Orders

Orders entered into the extended hours session are generally handled in the order in which they were received at each price level. Therefore, orders transmitted to the ECN by other investors before your order may match an existing order that you were attempting to match, thereby removing that order from the ECN order book. Similarly, your order may not be first in line to be executed if a matching order comes into the ECN. This may prevent your order from being executed, in whole or in part, or from receiving as favorable a price as you might receive during normal market hours.

Communication Delays

Delays or failure in communications due to a high volume of orders or communications, or other computer system problems, may cause delays in, or prevent execution of your order.

Terms and Conditions

Trading through ECN Extended Hours session on the ECN is subject to the terms and conditions ("Terms") and policies set forth by Merrill and subject to change without notice. Trading in the pre-market session may not be available to all users. Users of the extended hours trading session should contact an investment specialist to determine the availability of pre-market trading. By using the ECN Extended Hours trading facility, you acknowledge your understanding of the risks set forth above and your agreement to the Terms set forth below.

We reserve the right not to accept an order for the ECN Extended Hours session at their discretion and will attempt to notify you if your order is not accepted.

We will only accept limit orders for ECN Extended Hours trading. You must indicate a specific price at which you are willing to buy or sell the security you are interested in. You may not trade against an order entered by you. In other words, you may not buy securities you offered for sale in the ECN, and vice versa.

The maximum order size is 100,000 shares.

Prices must be entered in decimals.

Only certain securities will be eligible for trading through the ECN Extended Hours session, so all orders must be for securities traded on the ECN. If a stock normally traded on the ECN closes on a trading halt in its primary market, or trading is later halted by its primary exchange or a regulatory authority, trading of that stock will be suspended on the ECN.

ECN pre-market orders can be placed from 7:00 to 9:30 a.m. Eastern. Pre-market Orders we receive will be sent to the ECN for execution in the order in which they are received. We will continue to send ECN pre-market orders as they are received until 9:30 a.m. Eastern unless trading is halted prior to 9:30 a.m. Eastern.

ECN after-hours orders can be placed from 4:01 to 8:00 p.m. Eastern (After Hours Orders). After Hours Orders we receive will be sent to the ECN for execution in the order in which they are received. We will continue to send After Hours Orders to the ECN until 8:00 p.m. Eastern unless trading is halted prior to 8:00 p.m. Eastern.

If ECN pre-market trading is available, orders not filled during the ECN pre-market session are automatically canceled if they are not filled by the end of the session (i.e., 9:30 a.m. Eastern) during which they were placed. You must re-enter these orders during normal market hours if you still wish to have the trades executed.

Orders not filled during the ECN after hours session are automatically canceled if they are not filled by the end of the session (i.e., 8:00 p.m. Eastern) during which they were placed. You must re-enter these orders during normal market hours if you still wish to have the trades executed.

Merrill is not liable for delays in the transmission of orders due to a breakdown or failure of transmission, communication or data processing facilities, or for any other cause beyond our reasonable control.

Transactions are subject to the applicable rules and regulations of the self-regulatory organizations and governmental authorities.

Transactions are subject to all other agreements applicable to your account(s).

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation (BofA Corp.). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BofA Corp.

Merrill Edge® Self-Directed is available through MLPF&S.

Banking products are provided by Bank of America, N.A., and affiliated banks, Members FDIC and wholly owned subsidiaries of BofA Corp.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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# Important Notice

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## **BUSINESS CONTINUITY PLANNING**

Merrill Lynch is responsible for creating and maintaining business continuity plans for all its businesses. In the event of a business disruption, we have plans designed to allow us to continue operations of critical business functions, such as entering of client orders, completing securities transactions and providing clients access to their cash and securities. We accomplish this in part by:

- Relocating impacted businesses to designated recovery locations.
- Using redundant processing capacity at other locations.
- Designing our technology and systems to support the recovery processes for critical business functions.
- Using business and technology teams that are responsible for activating and managing the recovery process.
- Adopting a communication plan to ensure that Merrill Lynch employees receive emergency notifications and instructions via a variety of sources, including in-building announcements, telephone contact, toll-free phone numbers and Web sites.
- Rehearsing our recovery procedures and testing those procedures on a regular basis.

As part of our plans, Merrill Lynch has identified the applications that are critical to each of our business divisions. These applications are to be implemented in separate production and recovery data centers using industry-standard practices to copy data from the production site to the recovery site in real time. In most cases, recovery times will range from nearly instantaneous to approximately four hours. For some business functions, next-day recovery is projected.

With regard to client assets, nearly all market-traded securities are held in central depositories, such as the Depository Trust and Clearing Company, rather than in physical certificate form. Ownership of the securities is reflected on a book-entry record-keeping basis, with the depositories' participants, such as Merrill Lynch, maintaining on their records the beneficial ownership positions of their customers. This structure is recognized worldwide as providing investors with an unsurpassed level of liquidity and security for the assets they choose to custody with major financial institutions.

As a premier financial service firm, we take our commitment to our clients very seriously and participate globally in various industry-level discussions regarding business continuity planning under the auspices of industry organizations. Participation in these types of forums increases our ability to proactively recognize and manage business disruption risks and coordinate recovery efforts across the financial service industry.

In the event of a disruption, you will be able to receive information about your accounts and instructions on how to gain access to your funds by calling your Financial Advisor or the toll free number listed on your account statement.

Although we have taken significant steps to develop and implement sound business recovery plans, we cannot guarantee that systems will always be available or recoverable after a disaster or significant business disruption. However, we believe that our planning for such events is robust and consistent with many of the best practices established within the industry. Any material changes to the above information will be available on our Web site or upon request.



## Merrill Direct Reinvestment Service

When you enroll in the Merrill Direct Reinvestment Service (the "Service"), you agree to be bound by the terms and conditions outlined below.

(i) **Description.** When your investments generate dividends, and in certain instances, capital gains or other distributions (collectively, "dividends" or "distributions"), you can decide to either receive cash payments deposited to your account or to automatically reinvest the distributions through the Service as an opportunity to help build the value of your investments. There is no fee for the Service, and for most account types you pay no commission on dividends or distributions automatically reinvested in the same investment through the Service.<sup>1</sup> Additionally, the Service provides you with the flexibility to have dividends from some holdings reinvested while having the dividends from other investments credited as cash directly to your account. You also have greater flexibility with respect to mutual fund investments where separate reinvestment elections for dividends and capital gains distributions are offered.

(ii) **Eligible Investments and Accounts.** If you enroll in the Service, you can have dividends from eligible common and preferred stocks, mutual funds, exchange traded funds ("ETFs"), closed end funds ("CEFs"), unit investment trusts ("UITs"), and regulated investment companies ("RICs") automatically reinvested into more shares or units of the same stock, fund, trust or company, generally without commissions or fees charged. You may also elect through the Service to reinvest capital gains distributions paid by mutual funds.

Alternative investments (including but not limited to hedge funds, private equity funds, non-traded real estate investment trusts and business development companies) are typically not held in "street name" and dividend reinvestments for alternative investments are generally offered pursuant to the issuer's terms and conditions, and not those of the Service described in this document. You should refer to disclosures provided to you in connection with these alternative investments, such as prospectuses or private placement memorandum and the subscription agreement (including the subscription agreement supplement), which include additional information about our compensation and any dividend reinvestment options offered by the issuers. For these alternative investments, the terms of the issuer's dividend reinvestment options (and not those contained in this document) apply.

Eligible investments must be held in "street name" (which means the investments are owned by you but are registered in Merrill Lynch's name) in order to participate in the Service. Most eligible investments that you hold through your Merrill Lynch account are held in street name.

The Service is an option for most Merrill Lynch account types, subject to the terms and conditions of any other services or programs you may participate in. You may confirm your account eligibility by contacting your financial advisor, a Merrill Financial

Solutions Advisor or an Investment Center representative at any time.

(iii) **Service Operations.** We will credit cash dividends you receive from eligible investments to your account on the dividend payable date. Thereafter, we will debit cash dividends to be reinvested from your account and combine cash dividends across all accounts that have elected the Service in the same investment in order to purchase additional shares or units of that investment. We will then credit your account following the dividend payable date with the number of shares or units of the investment, including fractional shares or units, equal to the amount of dividends reinvested, divided by the purchase price per share or unit (the "reinvestment price"). The reinvestment price will be the price per share or unit of the investment on or around the dividend payable date or the ex-dividend date (generally for mutual funds). The reinvestment price may reflect an average price per share or unit if the investments are purchased in multiple transactions. The details regarding the actual prices are available to you upon request.

Reinvestment for certain investments may occur through the Depository Trust Company ("DTC") Dividend Reinvestment program ("DTC program"). DTC and the issuer determine which investments participate in the DTC program. DTC will allocate investments purchased through reinvested dividends ("reinvestment shares") to us upon receipt from the issuer. For investments participating in the DTC program, the cash dividends you receive from eligible investments will be credited from your account. Thereafter we will debit cash dividends to be reinvested from your account and combine cash dividends debited across all accounts that have elected the Service in the same investment. Upon our receipt of reinvestment shares through the DTC program, we will credit your account with the number of reinvestment shares (including fractional shares or units with issuers whose investment plans accommodate fractional shares or units) allocated to your account equal to the amount of dividends reinvested, divided by the reinvestment price announced by DTC.

We are compensated by issuers of certain hedge funds, private equity funds, RICs, non-traded REITs and BDCs (typically those which are considered "alternative investments") and mutual funds based on the total market value of investments held by our clients, which increases if dividends are reinvested.

For certain other investments, such as UITs, the sponsor may impose additional requirements with respect to any dividend reinvestment options offered. These requirements will be described in the prospectus provided to you in connection with your investment.

<sup>1</sup> Individual Investor Accounts, Business Delaware accounts, Business Investment Accounts (BIA), and Trust Management Accounts (TMA) are charged a commission of 4.0% on dividend and distribution reinvestments up to \$100.00, the greater of \$4.00 or 2.0% on reinvestments between \$100.01 and \$500.00, and 1.5% on reinvestments over \$500.00.

(iv) **Enrollment in the Service.** Dividends on your investments held in your Merrill Lynch account are generally paid in cash unless you take action and indicate that you want to reinvest those dividends; there is no requirement to participate in the Service. You may enroll in the Service online by selecting “Help & Support” or by contacting your financial advisor, a Merrill Financial Solutions Advisor or an Investment Center representative at any time. You may specify whether you wish to enroll for all eligible investments or selected eligible investments in your account. Automatic dividend reinvestment will commence with the first dividend having a record date which is at least two business days after you have notified us of your desire to enroll in the Service with respect to a particular investment.

If you elect to reinvest dividends and then purchase additional shares or units of the same investment, dividends for the new shares or units will also be automatically reinvested.

Changes to reinvestment elections are not allowed between the record date and the payable date for any investment. If a request to change reinvestment elections is entered during this period, changes will not take effect until after the payable date. Otherwise, you may change your elections by contacting your financial advisor, a Merrill Financial Solutions Advisor or an Investment Center representative at any time.

(v) **Confirmation of Reinvestment Transactions.** We will not provide you with individual trade confirmations for dividend reinvestment transactions, as we do for other transactions. Your periodic account statement will include all transaction details that would typically appear on a trade confirmation. On your statement you will see each automatic dividend reinvestment transaction made pursuant to the Service, including, but not limited to the date of the transaction, the amount of the dividend paid, the identity and number of shares or units bought and the purchase price. You will be able to obtain these transaction details at an earlier date online or by contacting your financial advisor, a Merrill Financial Solutions Advisor or an Investment Center representative beginning on the business day following the dividend reinvestment transaction. If you currently receive quarterly account statements, you will receive an additional monthly account statement for the month in which the dividend reinvestment transaction was effected.

You will continue to receive a trade confirmation for all securities transactions entered into outside of the Service unless you have instructed us otherwise.

(vi) **Termination/Amendment of the Service.** If your investment needs or goals change, you may discontinue your enrollment in the Service online by selecting “Help & Support” or by contacting your financial advisor, a Merrill Financial Solutions Advisor or an Investment Center representative at any time. Termination will be effective with respect to the first dividend having a record date

which is at least two business days after you notify us. We reserve the right to amend or terminate the Service, in whole or in part at any time. Changes to your investment holdings, including changes you may not have initiated, can result in changes or termination of the Service with respect to such holdings and require action on your part to re-initiate the Service. You will be notified in advance of any material amendment that may impact your investments or termination of the Service.

(vii) **Tax.** We recommend that you consult a tax advisor to determine what effect, if any, participation in the Service may have on your tax situation.

(viii) **Other.** Your enrollment in the Service is optional. We have not made any recommendation that you should enroll in the Service and we are not recommending or offering any advice regarding the purchase of any investment included as an eligible investment in the Service. You understand that reinvesting your dividends does not assure profits on your investments, nor does it protect against losses in declining markets.



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Banking products are provided by Bank of America, N.A., and affiliated banks, Members FDIC and wholly owned subsidiary of BofA Corp.

Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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# Trusted Contact Person Form

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") encourages you to designate a trusted contact person by completing this form.

## What is a trusted contact person?

A trusted contact person(s) is an individual (age 18 or older) identified by you, whom Merrill could contact and disclose information about your account:

- to address possible financial exploitation;
- to confirm specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee, or holder of a power of attorney; or
- as otherwise permitted by Financial Industry Regulatory Authority Rule 2165 (Financial Exploitation of Specified Adults).

## What if you previously completed a Contact Authorization Form?

Merrill previously made available a Contact Authorization Form, which was similar to the Trusted Contact Person Form. If you completed a Contact Authorization Form, Merrill will treat the contact person(s) you designated as your Trusted Contact Person(s). If you wish to add, update or remove a previously named contact person(s), please complete and return the Trusted Contact Person Form to the address noted below.

## How do you add a trusted contact person?

For faster service, this form can be completed electronically by signing into your account on [merrilledge.com](https://merrilledge.com).

or

Please complete this form and fax to 1.877.229.7160 or mail to:

Merrill Document Processing

PO Box 31024

Tampa, FL 33631-3024

(Please retain a copy of this form for your records.)

**If you have questions or would like help completing the form,  
please call the Investment Center at 877.653.4732.**

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation ("BoFA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, Member [SIPC](#) and a wholly owned subsidiary of BoFA Corp.

Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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# Trusted Contact Person Form

Please accept this document as instruction to add a trusted contact person(s) to the following 8-digit Merrill® Account Number and all other accounts at Merrill® for which I am either account owner or an authorized person.

Name of account owner  
(first, middle and last)

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.    Suffix: ☐ Sr. ☐ Jr.

Merrill account number:  -

A trusted contact person(s) is an individual (age 18 or older) identified by you, whom Merrill could contact and disclose information about your account:

- to address possible financial exploitation;
- to confirm specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee, or holder of a power of attorney; or
- as otherwise permitted by Financial Industry Regulatory Authority Rule 2165 (Financial Exploitation of Specified Adults).

## Primary Trusted Contact Person Information

Name of trusted contact person  
(first, middle and last)

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.    Suffix: ☐ Sr. ☐ Jr.

Relationship (e.g., spouse, child, holder of my power of attorney, lawyer, accountant, etc.)

Street address

Work phone

Home phone

Mobile phone

City

State

ZIP

Email

## Alternate Trusted Contact Person Information

Name of trusted contact person  
(first, middle and last)

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.    Suffix: ☐ Sr. ☐ Jr.

Relationship (e.g., spouse, child, holder of my power of attorney, lawyer, accountant, etc.)

Street address

Work phone

Home phone

Mobile phone

City

State

ZIP

Email

I understand that (1) I may designate multiple trusted contact persons (use additional copies of this form); (2) Merrill is not required to contact my trusted contact person(s) but may at their discretion contact one or more of the people I have designated as trusted contact person(s); (3) **the completion of this form is optional and I may withdraw it at any time by notifying Merrill in writing** (use Merrill address as shown on the previous page or Merrill address shown on account statement). If I would like to change my trusted contact person, I may do so by providing Merrill with a newly signed Trusted Contact Person Form with the box checked below to indicate that the new form supersedes any previous form(s).

☐ Check here if this Trusted Contact Person Form supersedes previous Trusted Contact Person Form(s)

## Signature

Printed name

Date

Signature of client

Date

# SIMPLE Retirement Account/ Individual Retirement Account (SRA/IRA)

## DISCLOSURE—PAGE 1

### ABOUT YOUR SRA/IRA—PAGE 1

Revoking Your SRA/IRA —page 2

Eligibility —page 2

Contributions —page 2

Rollovers and Transfers —page 3

Distributions—page 5

Beneficiaries—page 8

### INVESTING YOUR SRA/IRA—PAGE 8

Investments—page 9

Cash Balances—page 10

SIPC Insurance and Additional

Coverage—page 10

### ABOUT TAXES—PAGE 11

Loss of Tax Status—page 11

Penalties—page 11

Other Tax Issues—page 13

### ABOUT FEES—PAGE 15

Annual Custodial Fees—page 15

Other Fees—page 15

### IRS APPROVAL—PAGE 16

### CUSTODIAL AGREEMENT—PAGE 16

### PROTOTYPE SIMPLE RETIREMENT ACCOUNT PLAN—PAGE 25

### RETIREMENT ASSET SAVINGS PROGRAM FACT SHEET—PAGE 35

### Merrill Lynch STATEMENT LINK SERVICE—PAGE 43

*The following pages contain the agreement and disclosures governing, including disclosures required by federal law, governing your SRA/IRA.*

## Merrill Lynch Prototype SIMPLE Retirement Account Plan

THIS MERRILL LYNCH PROTOTYPE SIMPLE RETIREMENT ACCOUNT PLAN CANNOT BE USED BY AN EMPLOYER FOR ANY CALENDAR YEAR IF IT (OR A PREDECESSOR EMPLOYER) OR AN AFFILIATE MAINTAINED A QUALIFIED PLAN AS DEFINED IN SECTION 219(G)(5)(A) OR (B) OF THE INTERNAL REVENUE CODE WITH RESPECT TO WHICH CONTRIBUTIONS WERE MADE, OR BENEFITS ACCRUED, FOR SERVICE IN ANY CALENDAR YEAR IN THE PERIOD BEGINNING WITH THE CALENDAR YEAR THE PROTOTYPE SIMPLE PLAN BECOMES EFFECTIVE AND ENDING WITH THE CALENDAR YEAR OF DETERMINATION, OTHER THAN A QUALIFIED PLAN MAINTAINED SOLELY FOR COLLECTIVELY BARGAINED EMPLOYEES AND SUCH EMPLOYEES MAY NOT PARTICIPATE IN THE PROTOTYPE SIMPLE PLAN.

The Merrill Lynch Prototype SIMPLE Plan as set forth in this booklet has been approved by the Internal Revenue Service as to form (subject to subsequent amendments). Approval by the IRS, however, is a determination as to the form, not the merits, of this prototype plan.

## About Your SRA/IRA

- [1] **Your SIMPLE Retirement Account/Individual Retirement Account (SRA/IRA)** is an attractive means of accumulating tax-advantaged assets for retirement. Your SRA/IRA is a custody account established for the exclusive benefit of you and your beneficiaries for which Merrill Lynch acts as custodian. Your right to the balance in your SRA/IRA cannot be forfeited at any time.



- [2] The basic rules and benefits of your Merrill Lynch SRA/IRA, as well as important legal and federal tax information, are provided in this Disclosure Statement. However, the Merrill Lynch SIMPLE Retirement Account Custodial Agreement is the primary document governing your Merrill Lynch SRA/IRA and will govern in the case of any difference between these documents except as provided in the first paragraph in the Section "Investing your SRA/IRA" in this Disclosure Statement, which shall govern.
- [3] Merrill Lynch does not act as your tax or legal advisor with respect to your SRA/IRA. We recommend that you consult your lawyer, accountant, or other tax advisor if you have questions beyond the scope of the information contained in this Disclosure, especially in regard to how your SRA/IRA affects your estate or tax planning. You should also consult your tax advisor regarding the tax consequences involving your SRA/IRA for the laws of the particular state, locality or foreign country where you live, as this Disclosure covers only U.S. federal tax matters and certain states, localities and foreign countries may have significantly different tax rules.
- [4] *For example*, certain states may not allow state income tax exclusions for the higher level of contributions, or the additional types of rollovers permitted under the federal Tax Code after 2001. You may also refer to the appropriate year's edition of IRS Publications 590-A, Contributions to Individual Retirement Arrangements (IRAs) and 590-B, Distributions from Individual Retirement Arrangements (IRAs).
- [5] To obtain more information on the services your Merrill Lynch SRA/IRA provides to you, please contact your Merrill Lynch financial advisor or a Service Representative.
- REVOKING YOUR SRA/IRA**
- [6] If you are receiving this disclosure as a result of your initial opening of your SRA/IRA, you have the right to revoke your SRA/IRA and receive a refund of any amount given to us for your SRA/IRA within seven calendar days after you receive this disclosure agreement, or 14 calendar days from the mailing date of the disclosure agreement.
- [7] If you revoke your SRA/IRA within this period, the amount returned to you would not include an adjustment for any sales commissions, administrative expenses or other fees or fluctuations in market value.
- [8] You must revoke in writing to:  
Manager, Retirement Plan New Accounts  
Merrill Lynch, Pierce, Fenner & Smith Inc.  
1700 American Blvd MSC 0703  
Pennington, NJ 08534-4128
- [9] Make sure your notice is postmarked, certified or registered prior to the end of the revocation period.
- [10] If you have any questions, contact your financial advisor or a Service Representative at 1.800.MERRILL.
- ELIGIBILITY**
- [11] If you are eligible to participate in your employer's SIMPLE, you (or your employer) may set up an SRA/IRA. Your employer may make contributions to your SRA/IRA on your behalf, as long as the contributions are made under your employer's SIMPLE. If you are self-employed, you may also establish an SRA/IRA if you have adopted a SIMPLE.
- CONTRIBUTIONS**
- [12] Your SRA/IRA will accept the following types of contributions:
- Contributions made by your employer (cash only) (or yourself, if you are self-employed) on your behalf under your employer's SIMPLE by check, money order, or electronic funds transfer acceptable to us.
  - Transfers or rollovers of cash, securities, or other assets from another SRA/IRA.
  - The only contributions allowed to be made to an SRA/IRA are contributions under a "qualified salary reduction arrangement" under your employer's SIMPLE, which means you may not make annual traditional, Roth or Coverdell Education Savings Account contributions or rollover contributions from such types of IRAs to your SRA/IRA.
- [13] *You and your employer are responsible for determining the eligibility of your contributions. Should we discover we have received an*

excess contribution, we will return the excess contribution to you only after receiving written authorization from you. [20]

### Contribution reports

- [14] Each year we will send to you (or your beneficiaries) and to the IRS an IRS Form 5498 providing a valuation of your SRA/IRA at the end of the prior year. We will also send a report of your SRA/IRA contributions for the prior year made through April 15 of the current year. *If we do not receive a contribution and/or rollover deposit that is reportable on Form 5498 for a particular year, we will not send a separate form to you; your SRA/IRA valuation will be reported to you on your year-end Merrill Lynch account statement.*
- [15] Upon request, Merrill Lynch will submit a Form 5498 for the year of your death to your executor reporting the end-of-year valuation of your SRA/IRA. Because any amount reported on a beneficiary's Form 5498 would not be reported on the Form 5498 for the estate, the value reported on the Form 5498 for the estate would generally be zero. Your executor has the right to request in writing a date-of-death valuation, which will be furnished within a reasonable time (generally 90 days).

## ROLLOVERS AND TRANSFERS

### Tax-free transfers between IRAs

- [16] **You may authorize** a direct transfer of assets into your Merrill Lynch SRA/IRA from another SRA/IRA without incurring taxes or penalties, thereby preserving their tax-deferred status.
- [17] *Note that a direct transfer must be made between SRA/IRA custodians or trustees and you may not receive the assets in your name.*
- [18] You may not make tax-free transfers from:
- Traditional IRAs
  - Roth IRAs (except for recharacterizations discussed on page 5)
- [19] The rules regarding direct transfers of SRA/IRA assets also apply to direct transfers from your Merrill Lynch SRA/IRA into another SRA/IRA or an eligible traditional IRA.

### Rollovers between IRAs

You may roll over assets you withdraw from one SRA/IRA to another SRA/IRA subject to the following rules:

- You must complete the rollover within 60 days of the initial withdrawal or distribution. The IRS may waive this requirement if you can demonstrate a cause for the delay beyond your reasonable ability to control, such as a casualty or disaster;
  - You may make only one tax-free rollover from a SRA/IRA from which or to which you made a prior rollover in any one-year period measured from the date of the first distribution;
  - You can make only one rollover from a SRA/IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own. You can, however, continue to make as many trustee-to-trustee transfers between IRAs as you want;
  - If you are the beneficiary, you may roll over assets from your deceased spouse's SRA/IRA. You are not permitted to roll over assets from an inherited SRA/IRA if you are a non-spouse beneficiary;
  - You may not roll over required minimum distributions;
  - Substantially Equal Periodic Payments may not be rolled over; and
  - You must report rollovers on your IRS Form 1040 for the year in which the rollover was completed.
- [21] You may roll over assets to a traditional IRA from a SRA/IRA only after you have been a participant for two or more years in a SIMPLE maintained by your employer or for other reasons are not subject to the 25% penalty on premature withdrawals.
- [22] The rules also apply to transfers from SIMPLE individual retirement annuities and to rollovers of assets from your Merrill Lynch SRA/IRA into another SRA/IRA or an eligible traditional IRA.
- ### Conversions to a Roth IRA
- [23] You may roll over assets from an SRA/IRA to a Roth IRA as long as, for years prior to 2010, your modified AGI for the year of the withdrawal is less than \$100,000, not

including the rollover, and two years have passed since you first became a participant in a SIMPLE maintained by your employer or for other reasons you are not subject to the 25% penalty on premature withdrawals. *Such SRA/IRA to Roth IRA rollovers are frequently called “conversions.” You may also exclude required minimum distributions from traditional IRAs or employer retirement plans from your modified AGI for this purpose.*

[24] **Calculate your modified AGI** by locating the “adjusted gross income” line on your IRS Form 1040 and subtracting applicable deductions as provided for in the instructions to IRS Form 1040, including:

- IRA deductions
- Foreign earned income exclusions
- Foreign housing exclusions or deductions
- Interest exclusions on U.S. savings bonds used to pay higher education expenses
- Adoption assistance program exclusions
- Deductions for qualified education loan interest

[25] *If you receive Social Security benefits, use the worksheets in IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) to calculate your modified AGI.*

[26] The portion of a conversion that would be includible in your gross income if withdrawn will be included in your gross income. However, conversions are not subject to the 10% penalty tax for early withdrawals. The following rules apply:

- You must deposit the amount to your Roth IRA within 60 days of your SRA/IRA withdrawal. The IRS may waive this requirement if you can demonstrate a cause for the delay beyond your reasonable ability to control, such as a casualty or disaster;
- The “only one tax-free rollover in any one-year waiting period” rules applicable to SRA/IRA rollovers do not apply to conversions;
- You may *not* convert distributions from an inherited SRA/IRA. However, a spouse sole beneficiary may be able to treat the SRA/IRA as the spouse’s and then convert;

- You may *not* convert required minimum distributions (see Distributions after age 73, (see page 6);
- You may *not* convert assets to a Roth IRA if you are married and filing separate income tax returns, *unless* you and your spouse lived apart for more than a year;
- Assets converted to a Roth IRA are thereafter subject to the rules governing Roth IRAs; and
- You are responsible for determining your eligibility to make a conversion.

[27] If you have been making substantially equal periodic payments exempt from the 10% premature distribution penalty (see Distributions before Age 59 1/2, below) prior to a conversion, they will be subject to a retroactive penalty unless you continue making such withdrawals from your Roth IRA until the later of:

- Five years from the date the periodic withdrawals began; or
- The earlier of your attainment of age 59 1/2, becoming disabled or your death.

[28] In general, direct transfers from an SRA/IRA to a Roth IRA made by the custodians or trustees are treated as conversions for tax purposes. *If your SRA/IRA assets were previously recharacterized from a Roth IRA, there is a minimum 30-day waiting period before you may reconvert them, and you may not make two such conversions of the same assets in one calendar year.*

### **Rollovers to employer retirement plans**

[29] In general, if two years have passed since you first became a participant in a SIMPLE maintained by your employer or for other reasons you are not subject to the 25% penalty on premature withdrawals, you may roll over all or part of distributions you receive from your SRA/IRA into your employer’s retirement plan including a section 457(b) eligible State deferred compensation plan, provided the plan accepts rollover contributions.

[30] You may roll over distributions of any kind, including cash, securities or other property, provided they are accepted by your employer’s retirement plan. *Any portion of assets sold but not rolled over will be subject to tax.*

- [31] If you are the beneficiary, you may roll over distributions from your deceased spouse's SRA/IRA. You are *not* permitted to roll over assets from an inherited SRA/IRA if you are a non-spouse beneficiary. (See Beneficiaries, page 8.)
- [32] As with other rollover situations, rollovers to employer retirement plans must be completed within 60 days. The IRS may waive the 60-day time limit if you can demonstrate a cause for the delay beyond your reasonable ability to control, such as a casualty or disaster.

### **A note on recharacterizations**

- [33] The special rule that permits you to "recharacterize" contributions made to one type of IRA as contributions made to another type of IRA does not apply to employer contributions (including pre-tax contributions) made under your employer's SIMPLE to your SRA/IRA. Once employer contributions are made to your SRA/IRA they may not be "recharacterized" as contributions to another type of IRA.

### **Exceptions:**

- If you make a mistake and roll over or transfer amounts from your traditional IRA to your SRA/IRA, you may recharacterize the rollover or transfer as a contribution to another traditional IRA.
  - You may recharacterize mistaken rollovers and transfers from your traditional IRA by causing the trustee or custodian of your SRA/IRA to transfer the mistaken amounts plus earnings to the trustee or custodian of your traditional IRA. You must do so before the date you are required to file your income tax return (with extensions) for the year in which you made the contributions. The rollover or transfer will be treated as a contribution to the traditional IRA.
- [34] Conversions from SRA/IRAs to Roth IRAs are eligible to be recharacterized. To effect a recharacterization, you must give complete and timely instructions to the custodians or trustees of both the SRA/IRA and Roth IRA and report the converted amount as having been contributed to the SRA/IRA for the year in which the conversion was made. Tax-free transfers or rollovers between SRA/IRAs, from SRA/IRAs to traditional IRAs or to employer

retirement plans and employer contributions to SEP IRAs may not be recharacterized. However, a tax-free transfer or rollover between SRA/IRAs or from an SRA/IRA to a traditional IRA will not disqualify you from recharacterizing an annual traditional IRA contribution or conversion contribution to a Roth IRA.

- [35] *You are not limited on the number of recharacterization transfers you may make in a year. The IRS may grant extensions for recharacterizing invalid conversions to taxpayers who provide sufficient evidence they acted reasonably and in good faith.*

### **DISTRIBUTIONS**

- [36] **You have the right to withdraw** assets from your SRA/IRA at any time. Amounts in cash, securities or other assets withdrawn from your SRA/IRA for you or your beneficiaries are called "distributions." Distributions are subject to the rules contained in the Tax Code and to the terms of the Custodial Agreement.
- [37] Generally, SRA/IRA distributions will be taxed as ordinary income. No special capital gains or averaging treatment is available. Unless you or your beneficiaries indicate otherwise on the form we provide, we will deduct federal and possibly state income taxes before payment.
- [38] You must report any taxable distributions on your federal income tax return. Examples of non-taxable distributions that do not have to be reported include tax-free transfers and rollovers (see page 3).
- [39] You should consult your accountant or tax advisor on how to time withdrawals to meet your financial needs, while at the same time taking into consideration your tax situation. The rules governing rollovers and distributions are complex. You should consult with your legal or tax advisor to determine whether distributions from your qualified retirement plan may be rolled over and which option is best for you.

### **Distributions before age 59 1/2**

- [40] Any distributions made before you reach age 59 1/2 from your SRA/IRA will be subject to ordinary income taxes and a 10% penalty tax unless you meet an exception.

- [41] The 10% penalty is increased to 25% for premature distributions made from your SRA/IRA maintained in connection with your employer's SIMPLE plan, unless two years have passed since you first became a participant in a SIMPLE maintained by your employer.
- [42] You are exempt from the premature distribution penalty if any of the following apply:
- You are totally and permanently disabled;
  - You take distributions in "substantially equal periodic payments";
  - Your beneficiary or estate receives distributions from your SRA/IRA in the event of your death;
  - You are unemployed and the distributions do not exceed amounts paid for health insurance;
  - The distributions do not exceed your deductible medical expenses;
  - The distributions do not exceed your "qualified higher education expenses" for yourself, your spouse, your children or grandchildren;
  - The distribution is a "qualified first-time homebuyer distribution"; or
  - The distribution is on account of an IRS tax levy.
- [43] Each of these exceptions is complex. The exceptions are explained in more detail in "Penalty for premature distributions", and "Additional notes on exemptions", (see page 11). We advise you to consult your legal or tax advisor before taking a distribution in reliance upon them.

### **Distributions after age 59 1/2**

- [44] Once you reach the age of 59 1/2, distributions from your SRA/IRA will be subject only to ordinary income taxes. Between ages 59 1/2 and 73 you may take distributions without penalty.

### **Distributions after age 73**

- [45] Once you reach age 73, the Tax Code mandates that you start required minimum distributions (RMDs) for the year you reach age 73 and each subsequent year. RMDs must begin in the calendar year you reach that age, or no later than April 1 of the following year (your required beginning date or "RBD"). If you wait, however,

until the following year to make the first RMD, you will have to make a second RMD before the end of that year.

- [46] If you prefer, you may purchase an annuity contract that makes payments at least equal to your RMD.
- [47] While making your RMD, you may still withdraw any additional amounts you desire from your SRA/IRA.
- [48] Your RMD amount will depend on whether the 1987 Tax Code proposed regulations ("1987 Regulations"), the 2001 Tax Code proposed regulations ("2001 Regulations") or 2002 Tax Code final regulations ("2002 Regulations") apply. In general, the 2002 Regulations apply to distributions made in 2003 or later. You can choose any of the three regulations for 2002 distributions. In most cases, the 2002 Regulations result in a smaller RMD amount. *This disclosure statement describes the minimum distribution rules provided in the 2002 Regulations.*
- [49] If you fail to make the RMD, you may be subject to a penalty tax of 50% on the difference between your RMD amount and your actual distribution amount (see Penalty for not taking minimum distributions, page 13).

### **How to calculate your minimum distribution during your lifetime**

- [50] To calculate your minimum distribution, divide your SRA/IRA balance (the fair market value of your SRA/IRA, plus any transfers, rollovers or recharacterizations to your SRA/IRA that are outstanding, as of the preceding December 31st) by the distribution period, as shown in:
- Uniform Lifetime Table or
  - Joint and Last Survivor Table (if your spouse is your sole beneficiary and is more than 10 years younger than you).

To use the spousal calculation, your spouse must, generally, be your sole designated beneficiary for the entire year. You will also qualify if your spouse is your sole designated beneficiary on January 1 of the year and your designated beneficiary changes, during the year, because you or your spouse dies or you divorce. Use the

appropriate U.S. Treasury tables (which can be found at [www.irs.gov](http://www.irs.gov) or in IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs) when determining your life expectancy for SRA/IRA purposes.

[51] Your minimum distribution must be recalculated annually, based on your current age (and that of your primary beneficiary for spouse beneficiaries who are more than 10 years younger). You must calculate the minimum distribution separately for each SRA/IRA you own.

[52] You are responsible for determining the minimum distribution amounts. We will, generally, supply you with our calculation of your minimum distribution. To do this, we must have your correct age on file and an accurate valuation of all your investments. We will use the Uniform Lifetime Table, unless our records show your SRA/IRA qualifies for the spousal calculation. Our calculation will not adjust your balance for outstanding rollovers, transfers or recharacterizations. You are still responsible for determining the accuracy of your SRA/IRA balance and of the minimum withdrawal. Generally, we will not supply a calculation of the minimum distribution amount to your beneficiaries after your death.

[53] You must notify us when you want to receive this payment. You may set up a periodic payment plan under which you can conveniently spread the distributions throughout the year. To learn more about RMD calculations, call 1.800.MERRILL to request a copy of the "Guide to Calculating Minimum Distributions from a Traditional IRA."

### **Distributions after your death**

[54] Following your death, the remaining balance in your SRA/IRA will be distributed to your beneficiaries (see Beneficiaries, page 8) with similar minimum distribution requirements. Subject to those minimum distribution requirements and restrictions imposed by your beneficiary designation, your beneficiary may withdraw assets from your SRA/IRA at any time. The identity of your "designated beneficiary" and whether your death

occurs before or after your RBD will govern how your beneficiaries calculate their minimum distributions.

[55] For the purpose of determining required minimum distributions, your designated beneficiary is determined as of September 30th of the year following the year of your death based on your beneficiaries as of your date of death who remain beneficiaries as of the determination date. A designated beneficiary must be an individual, (a natural person rather than an estate, charity or a trust). If certain requirements are met, however, beneficiaries of a trust, that is the beneficiary of your SRA/IRA, will be treated as your SRA/IRA's beneficiaries for the purpose of determining your designated beneficiary. If your SRA/IRA has multiple beneficiaries and one is not an individual, you will not have a designated beneficiary. However, if all your beneficiaries are individuals, the oldest one will be your designated beneficiary.

[56] If you die *after* your required beginning date (RBD), the remaining balance in your SRA/IRA must be distributed over a period no longer than the longer of an individual designated beneficiary's life expectancy or your remaining life expectancy. (The Single Life Table will be used for calculating your remaining life expectancy and that of your designated beneficiary, if applicable.)

- If your spouse is the designated beneficiary, his or her life expectancy will be recalculated each year until death (the "recalculation method"), and thereafter using the "term certain method." See IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs) for more information on the term certain method and the recalculation method.
- The life expectancy of a non-spouse designated beneficiary or your remaining life expectancy will be determined under a "term certain method."
- If your spouse is your sole beneficiary, he or she may elect to roll over your SRA/IRA into his or her own SRA/IRA or elect to treat your SRA/IRA as his or her own.

- If you do not have a designated beneficiary, distributions will be calculated based on your remaining term certain life expectancy.
- [57] If you die *before* your RBD:
- If you do not have a designated beneficiary, the entire balance of your SRA/IRA, must be distributed by December 31 of the year that contains the fifth anniversary of your death.
  - If your spouse is your sole beneficiary, he or she may choose to postpone making withdrawals until the date you would have reached age 73.
  - If your spouse is your sole beneficiary, he or she may elect to roll over your SRA/IRA into his or her own SRA/IRA or elect to treat your SRA/IRA as his or her own SRA/IRA and make the minimum withdrawals that apply to that SRA/IRA (see Distributions after age 73 on page 6), based on your spouse's own age and beneficiaries. Note beneficiaries. *Note that we will assume this election has been made if your spouse makes any contributions, rollovers or transfers to your SRA/IRA or does not take minimum distributions that would be required from your SRA/IRA.*
  - If you have a designated beneficiary who is not your spouse, your beneficiary may elect to begin taking distributions no later than December 31 following the first anniversary of your death over his or her term certain life expectancy.
- [61] The "Beneficiary" section of the Custodial Agreement explains:
- How beneficiaries may receive your SRA/IRA assets after your death;
  - Your ability to place restrictions on distributions to and successor designations by your beneficiaries;
  - The treatment of your beneficiary designation if you are divorced or your marriage is annulled after you designate your spouse as your beneficiary; and
  - Who will be your beneficiary or beneficiaries if you do not have a living/existing designated beneficiary.
- [62] Generally, after your death, Merrill Lynch will make distributions to the listed beneficiary of record, regardless of state community property law. If, as a result of state community property law, payments are to be made to the surviving spouse rather than the named beneficiary, a written statement authorizing such payment must be submitted and signed by the spouse and the designated beneficiary.
- [63] If your beneficiary is a trust or your estate, distributions will be made to the trustee(s) of the trust or the executor(s) of your estate. However, the trustee or executor may, subject to any rules we establish, direct us to make distributions to the beneficiaries of the trust or estate.

## BENEFICIARIES

- [58] **You may name** one or more beneficiaries of your SRA/IRA, including individuals, your estate, a charity or a trust. These beneficiaries may be designated primary, contingent or successor beneficiaries and may be changed at any time, but any designation or change must be in writing. Beneficiary designations will not be effective until received and accepted by Merrill Lynch.
- [59] *All beneficiary designations and changes must be compatible with Merrill Lynch's administrative and operational requirements, which may vary over time.*
- [60] You should review your designation periodically, particularly when there are changes in your family status, including a marriage, divorce, birth or adoption of children, death of a beneficiary or establishment of estate planning trusts.
- [61] The "Beneficiary" section of the Custodial Agreement explains:
- How beneficiaries may receive your SRA/IRA assets after your death;
  - Your ability to place restrictions on distributions to and successor designations by your beneficiaries;
  - The treatment of your beneficiary designation if you are divorced or your marriage is annulled after you designate your spouse as your beneficiary; and
  - Who will be your beneficiary or beneficiaries if you do not have a living/existing designated beneficiary.
- [62] Generally, after your death, Merrill Lynch will make distributions to the listed beneficiary of record, regardless of state community property law. If, as a result of state community property law, payments are to be made to the surviving spouse rather than the named beneficiary, a written statement authorizing such payment must be submitted and signed by the spouse and the designated beneficiary.
- [63] If your beneficiary is a trust or your estate, distributions will be made to the trustee(s) of the trust or the executor(s) of your estate. However, the trustee or executor may, subject to any rules we establish, direct us to make distributions to the beneficiaries of the trust or estate.

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## Investing Your SRA/IRA

- [64] Your Merrill Lynch financial advisor or a Service Representative can offer your SRA/IRA access to available investment alternatives. In addition, you may enroll (under a separate agreement) your SRA/IRA in a Merrill Lynch investment advisory program that offers discretionary management or other advisory services. *Investment decisions are ultimately yours or your discretionary manager's or advisor's and you or your discretionary manager or advisor must decide whether an investment is consistent*

with your personal savings goals and investment objectives. Notwithstanding anything to the contrary in the Custodial Agreement, effective February 1, 2022, Merrill Lynch acknowledges that it is acting as a fiduciary under Title I of the Employee Retirement Income Security Act (ERISA) and Section 4975 of the Internal Revenue Code (Section 4975) in its capacity as a broker-dealer when it provides investment advice and makes recommendations to you regarding securities or investment strategies in your SRA/IRA. The Merrill Best Interest Disclosure Statement provides a description of services and information relating to our costs and fees, compensation earned and material conflicts of interest as required under these rules.

- [65] The investments in your SRA/IRA will be held by us, and may be held in our name or the name of a selected nominee. Interest, dividends and other distributions on shares will be paid to us for your account. Dividends and other distributions from mutual funds will be paid in cash and swept with other cash balances into the applicable money market accounts (see Cash Balances on page 10).

## INVESTMENTS

- [66] Your SRA/IRA may invest in one of Merrill Lynch's money market funds or in one or more of the following types of investments obtainable through Merrill Lynch and its affiliates:

- Securities traded on recognized exchanges or "over the counter"
- Mutual funds
- Government securities, such as Treasury bills
- Certain annuity contracts
- One ounce American Gold or Silver Eagle coins issued by the United States
- Listed covered call options
- Put options against long positions

- [67] The following investments and transactions are generally not permitted:

- New issue offerings of equity and preferred securities where Merrill Lynch or an affiliate acts as the underwriter of the securities
- Investments acquired on margin
- Commodities transactions (including futures contracts)

- Options strategies not described above
- Series E and EE U.S. savings bonds
- Investments in non-U.S. dollar-denominated debt securities
- Foreign currency
- Notarial stock
- Chattel paper
- Shares of "restricted" stock
- Other investments and transactions that we designate from time to time

- [68] The Tax Code prohibits your SRA/IRA from making the following types of investments (or treats them as distributions):

- Life insurance contracts
- Collectibles, including works of art, rugs, antiques, certain metals, gems, stamps, most coins, and alcoholic beverages

- [69] All investments must be compatible with Merrill Lynch's administrative and operational requirements and procedures of the account system through which your SRA/IRA is administered, which may change from time to time. Contact your financial advisor or a Service Representative for more information on permissible investments.

- [70] In no event may the assets in your SRA/IRA be commingled with other property except in a common trust fund or a common investment fund.

- [71] We will invest and reinvest your contributions and earnings in your SRA/IRA only after receiving proper instructions from you or, as appropriate, your beneficiary, your estate's legal representative or any other person authorized to give such instructions.

- [72] *The investments you purchase for your SRA/IRA may fluctuate in value and have varying rates of return. Therefore the value of your SRA/IRA in the future can neither be guaranteed nor projected.*

- [73] *If we cannot locate you or your beneficiary, Merrill Lynch can, with no responsibility for the consequences, sell any or all the assets in your SRA/IRA. We may then, if not already invested or deposited through a sweep option in effect for your account, invest in a money market fund or deposit the proceeds in an interest-bearing*



account. We will do so only after waiting at least two months from the date we attempt to locate you or your beneficiary by sending a written notice to the last address shown for you or your beneficiary in our records.

### **A note on foreign securities**

- [74] Dividends and earnings on investments in foreign securities and mutual funds may be subject to foreign tax withholding. These withholdings are often ineligible for the U.S. foreign tax credit if they are for securities held by tax-exempt accounts including SRA/IRAs.
- [75] As a result, the effective yield on foreign securities and mutual funds held in your SRA/IRA may be lower than the effective yield of identical investments held in a non-retirement account. You may find it preferable to hold foreign investments in a taxable investment portfolio, should you have one, instead of your SRA/IRA.

### **CASH BALANCES**

- [76] **Merrill Lynch provides** a daily “sweep” feature to ensure all your assets are working for you full time.
- [77] All uninvested cash balances (such as interest income, dividends and contributions received) of \$1 or more are automatically deposited in money market deposit accounts established through the Retirement Asset Savings Program (RASP).
- [78] With RASP, a money market deposit account is established at Bank of America, N.A., Bank of America California, N.A., and any other Merrill Lynch affiliated bank.
- Merrill Lynch is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill Lynch as your agent. Merrill Lynch has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping.
- [79] For more information, see the Retirement Asset Savings Program Fact Sheet.

- [80] If you enroll your SRA/IRA in a Merrill Lynch investment advisory program, uninvested cash balances will be deposited in the RASP.
- [81] Additional or alternative daily sweep options may be available for certain clients or in certain situations. For more information regarding your Sweep Program, please refer to your Client Relationship Agreement.

### **SIPC INSURANCE AND ADDITIONAL COVERAGE**

- [82] The securities and cash we hold in your account are protected by the Securities Investor Protection Corporation (SIPC) for up to \$500,000 (inclusive of up to a maximum of \$100,000 for cash).
- [83] In addition, Merrill Lynch has obtained “excess-SIPC” coverage from Lloyd’s of London. The Lloyd’s policy provides further protection for each customer (including up to \$1.9 million for cash), subject to an aggregate loss limit of \$1 billion for all customer claims.
- [84] Neither SIPC protection nor the additional “excess-SIPC” coverage applies to deposits made through a bank deposit program or to other assets that are not securities. *Each account held by a separate customer (as defined by applicable law) is treated separately for purposes of the above protection.* You may obtain further information about SIPC, including the SIPC Brochure, via the SIPC’s website at [www.sipc.org](http://www.sipc.org) or by calling SIPC at 1.202.371.8300. Deposits made under RASP programs are the obligation of the Merrill Lynch Affiliated Banks and are not obligations of, or guaranteed by, Merrill Lynch, its parent company, Merrill Lynch & Co., Inc., or any of its subsidiaries. **Merrill Lynch, Pierce, Fenner & Smith Incorporated “Merrill Lynch” is not a bank and is separate from its FDIC-insured affiliates, which include Bank of America, N.A., Bank of America California, N.A. and other depository institutions. FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill Lynch as your agent. Merrill Lynch**

**has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping. Except where indicated, securities sold, offered or recommended by Merrill Lynch are not insured by the FDIC and are not obligations of, or endorsed or guaranteed in any way by any bank and may fluctuate in value.**

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## About Taxes

- [85] **Your SRA/IRA** is designed to provide you with an opportunity to defer federal income tax on contributions and any gains and income on the assets in your SRA/IRA until they are withdrawn or distributed.
- [86] Certain investments, however, such as limited partnerships, may generate unrelated business income that may be taxable in the year earned regardless of whether withdrawals were made during that year.
- [87] Withdrawals, whether of the principal balance or of gains and income, are, generally, subject to income tax at the regular rates when withdrawn (see Distributions, page 5). No special capital gains or averaging treatment is available.
- [88] *You should consult your tax advisor about your particular tax situation as this Disclosure applies only to U.S. federal taxes; certain states have significantly different tax rules governing deductibility of contributions and income exclusion for rollovers.*

### LOSS OF TAX STATUS

- [89] **The Tax Code** prohibits you from using your SRA/IRA to engage in certain transactions under penalty of losing your SRA/IRA's tax-deferred status. For example, you may not borrow from your account, sell property to it or buy property from it.

- [90] *If your SRA/IRA loses its tax-deferred status, the entire SRA/IRA balance must be included in your gross income for the year the tax-deferred status was lost.*
- [91] *The balance will also be subject to the 10% (or 25%) penalty tax for premature distributions described below (unless you are eligible for an exemption).*
- [92] If you pledge part of your SRA/IRA as security (collateral) for a loan, only the part pledged will be considered as having been distributed to you for the year it is pledged. The amount must be included in your gross income and will be subject to the 10% (or 25%) penalty for premature distribution (unless you are eligible for an exemption).

### PENALTIES

#### Penalty for premature distributions

- [93] **In general**, any withdrawals you make before reaching the age of 59 1/2 will be subject to a 10% penalty. The 10% penalty is increased to 25%, unless two years have passed since you first became a participant in a SIMPLE maintained by your employer. This penalty is in addition to ordinary income taxes imposed on withdrawals. (For more information, review the Additional notes on exemptions, below.)
- [94] You are exempt from the 10% (or 25%) penalty if:
- You are totally and permanently disabled;
  - You take distributions in "substantially equal periodic payments";
  - The distributions are received by your beneficiary or estate *after* your death;
  - You are unemployed and the distributions do not exceed amounts paid for health insurance;
  - The distributions do not exceed your deductible medical expenses;
  - The distributions do not exceed your "qualified higher education expenses" for yourself, your spouse, your children or grandchildren;
  - The distribution is a "qualified first-time homebuyer distribution"; or
  - The distribution is on account of an IRS tax levy.

## Additional notes on exemptions

- [95] The methods for calculating “substantially equal periodic payments” were revised in an IRS ruling in October 2002. The new methods described below must be used for all series of payments beginning after 2002 and you may elect to use the old or new methods for a series of payments beginning in 2002. The three new calculation methods are:
- **Required Minimum Distribution Method:** Your annual payment amount is determined each year by dividing the account balance in that year by the current year’s life expectancy factor applicable to you or to you and your beneficiary from the Uniform Lifetime Table, the Joint and Last Survivor Table or the Single Life Table. (See, IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).) You must use the same Table each year.
  - **Fixed Amortization Method:** Your annual payment amount is determined in the first year and does not change thereafter. Your annual payment amount will be calculated by amortizing your beginning account balance using an interest rate not exceeding 120% of the federal mid-term rate during either of the two months preceding the first payment and one of the three life expectancy Tables discussed above under the Required Minimum Distribution Method.
  - **Fixed Annuitization Method:** Your annual payment amount is determined in the first year and does not change thereafter. Your annual payment amount will be calculated by dividing your beginning account balance by an annuity factor that is derived from an IRS mortality table (based on your life expectancy or the joint and last survivor expectancy of you and your beneficiary) and an interest rate not exceeding 120% of the federal mid-term rate during either of the two months preceding the first payment.
- [96] In general, to avoid retroactive imposition of the 10% (or 25%) penalty and interest, you must continue taking substantially periodic payments under your chosen method for at least five years or until you reach age 59 1/2, whichever is longer. However, you may make a onetime change to the new Required Minimum Distribution Method from either of the new Fixed Methods or from one of the older allowable methods to any one of the three new methods. Further, you may discontinue taking substantially equal periodic payments if you become disabled and your beneficiary may do so following your death. Rules governing the calculation of substantially equal periodic payments are complex; you should consult a qualified tax advisor.
- [97] If your distributions are used to pay health insurance premiums:
- You must have received federal or state unemployment compensation for 12 consecutive weeks. *Note that if the only reason you did not receive unemployment compensation was because you had been self-employed, you are still eligible for the exemption;*
  - You must have received the distributions during the tax year in which you received the unemployment compensation, or the following year; *and*
  - You must have been re-employed for less than 60 days.
- [98] “Qualified higher education expenses” include:
- Tuition, fees, books, supplies and equipment required for enrollment or attendance at an “eligible educational institution” (undergraduate or graduate courses); *and*
  - Room and board expenses, up to the minimum allowed when calculating the cost of attendance for federal aid programs (*students must attend education institution at least half-time*), or the actual cost of student housing owned or operated by the school (*for years 2002–2010 only*), if higher.
- [99] You must subtract from “qualified education expenses” all qualified scholarships, certain educational assistance provided to military veterans and reservists, and other payments for educational expenses (not including gifts and inheritances) that are excluded from the student’s gross income under federal laws.

[100] “Eligible educational institutions” include:

- Post-secondary educational institutions offering credit towards a bachelor’s, associate’s, graduate or professional degree or another post-secondary credential; and
- Certain proprietary schools and post-secondary vocational institutions, if eligible to participate in U.S. Department of Education student aid programs.

[101] A “qualified first-time homebuyer distribution” is a withdrawal or distribution used to pay the costs of acquiring, constructing or reconstructing your principal residence or the principal residence of you or your spouse, or a child, grandchild or ancestor of you or your spouse. Eligible expenses include usual or reasonable settlement, financing or other closing costs. The following rules apply:

- The new owner must have had no ownership interest in a principal residence in the two years prior to this acquisition;
- Individuals with foreign homes or on extended active duty in the Armed Forces may not qualify as first-time homebuyers if the period for tax-free rollover of gain on the sale of a prior residence has been suspended;
- The amount withdrawn must be used to pay such costs or rolled over into your SRA/IRA within 120 days (in which case you are not subject to the limit of one rollover per year); *and*
- The total lifetime amount that can qualify as a first-time homebuyer distribution from all IRAs (including your traditional and Roth IRAs and SRA/IRAs) is \$10,000.

### **Penalty for excess contributions**

[102] Excess contributions—the portion of a contribution that exceeds allowable limits—are subject to a 6% *penalty*. The 6% penalty is charged again every year that the excess remains in your account.

[103] *Example:* If you are under age 50 and make pre-tax deferrals of \$11,000 in 2008 to your SRA/IRA, your excess contribution for 2008 is \$500 and you would owe the IRS \$30 for each year the excess remains in your account.

The limit on pre-tax deferrals to an SRA/IRA for 2008 is \$10,500 if you are under age 50.

[104] To avoid the 6% penalty, you may “correct” excess contributions by withdrawing the excess and any related earnings prior to your tax-filing deadline (including extensions) for the tax year for which the excess contribution was made.

[105] *Withdrawals of those contributions (and earnings) may be taxed as premature withdrawals. For more information about excess contributions, including taxation, penalties and alternative conversion methods, consult your tax advisor.*

[106] *You are responsible for computing the earnings on excess contributions and indicating the amount on a distribution form provided by Merrill Lynch.*

### **Penalty for not taking minimum distributions**

[107] After age 73, you are required to take a minimum distribution each year. After your death, your beneficiary or beneficiaries are required to take minimum distributions. If you or your beneficiary fail to take required minimum distributions, you or they may be subject to a penalty tax of 50% on the difference between the required and actual withdrawals.

[108] *Example:* If your minimum withdrawal is \$10,000 and you only withdrew \$9,000, the penalty would be \$500:  $(\$10,000 - \$9,000) \times 50\%$ .

[109] In certain cases, the IRS may waive application of this penalty. You should consult your tax advisor on this subject.

### **OTHER TAX ISSUES**

#### **When to File IRS Form 5329**

[110] You must file IRS Form 5329 with your federal income tax return when:

- You owe the 6% penalty tax on excess contributions;
- You owe the 10% (or 25%) penalty tax on early withdrawals, but distribution code 1 is not shown in box 7 of your Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, etc.);

- You do *not* owe the 10% (or 25%) penalty tax, but distribution codes 2, 3 or 4 do *not* appear in box 7 of your Form 1099-R, or the code shown is incorrect; *or*
- You owe the 50% penalty tax for failing to make a minimum distribution.

**Estate and gift taxes**

- [111] Generally, at your death, the total value of assets in your SRA/IRA is included in your gross estate for federal estate tax purposes. However, deductions are allowed if your beneficiary is either your spouse or a charity. You should consult your tax advisor concerning this estate tax.
- [112] Generally, naming a beneficiary to receive payments from your SRA/IRA is not considered a gift subject to federal gift tax, even if the designation is irrevocable. This is because the account owner typically

retains the right to direct distributions, including rollovers and transfers.

**Tax Credit**

- [113] You may be eligible for a nonrefundable tax credit of up to 50% of the first \$2,000 of “qualified retirement savings contributions,” provided your adjusted gross income is within specified limits. “Qualified retirement savings contributions” include, for example, contributions to an IRA, elective employer or employee deferrals to a qualified retirement plan, elective deferrals under an eligible deferred compensation plan maintained by a State or local government, and voluntary employee contributions to a qualified retirement plan. The amount of the tax credit is calculated by multiplying the first \$2,000 of your “qualified retirement savings contributions” by the applicable percentage, which is determined in accordance with the following table:

ADJUSTED GROSS INCOME (2008 LIMITS)*						
Joint Return		Head of a Household		All Other Cases		%
Over	Not Over	Over	Not Over	Over	Not Over	
\$0	\$32,000	\$0	\$0	\$16,000	\$16,000	50
\$32,000	\$34,500	\$24,000	\$25,875	\$16,000	\$17,250	20
\$34,500	\$53,000	\$25,875	\$39,750	\$17,250	\$26,500	10
\$53,000		\$39,750		\$26,500		0

\*Periodically indexed for inflation.

- [114] For purposes of calculating the tax credit, your “qualified retirement savings contributions” may be reduced by certain distributions from certain retirement plans and IRAs made in the same tax year, the two preceding tax years and the period after the tax year and before the due date for filing your return for the tax year. Distributions received by your spouse are treated as distributions to you for purposes of reducing your “qualified retirement contributions” if you file a joint return for the tax year in which your spouse received the contribution. If you believe that you may be eligible for the tax credit, contact your tax advisor.

**Additional information available**

- [115] For more information about taxes and your SRA/IRA, you should obtain a copy of IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) or 590-B, Distributions from Individual Retirement Arrangements (IRAs),or a replacement publication. You can obtain a copy of IRS Publication 590-A or 590-B at [www.irs.gov](http://www.irs.gov).

# About Fees

ANNUAL CUSTODIAL FEES		
SRA/IRA	0.25% of net assets, subject to	
Single-participant SIMPLE (per account)	Minimum \$60	Maximum \$100
Multi-participant SIMPLE (per account)	Minimum \$50	Maximum \$100

- [116] You may also contact any district office of the IRS directly.
- [117] Custodial fees are calculated on a calendar year basis and are charged in the calendar quarter containing your account opening anniversary date ("anniversary quarter"). The net assets of the account is the valuation of your account as of the month ending the calendar quarter preceding your anniversary quarter. For example, if you have a 1st quarter anniversary, your assets would be based on the net asset value of your account on the last business day of the preceding year. For the first fee year, the custodial fee will be charged in the quarter following the account opening, based on the net asset value on the last day of the quarter in which the account was established. If the account has not been funded, we will value your account as of the last day of the quarter in which the account is funded to determine the custodial fee.
- [118] The custodial fee for an SRA/IRA will be waived for the time that your SRA/IRA is enrolled in a Merrill Lynch investment advisory program. We may also waive fees at any time.
- [122] For accounts with balances of \$1 or less, a fee equal to the account balance may be assessed to such account resulting in the subsequent account closure, regardless of your household's aggregate account balance.
- [123] If your account is closed or transferred, we will charge a \$75 account closeout fee. The account closeout fee will be charged in addition to any pending custodial fees due on your account. Merrill Lynch will charge the account closeout fee to your SRA/IRA.
- [124] *The account closeout fee for an IRA may be waived under certain services or programs offered by Merrill Lynch.*

## Fee payment methods

- [125] You may indicate to your financial advisor or a Service Representative how you wish to pay the custodial fee and Merrill Lynch investment advisory program fees (if applicable).
- [126] You may choose one of the following methods:
  - By check (not available for MESD);
  - By transfer from another Merrill Lynch account (not available for MESD); or
  - By direct deduction from your SRA/IRA.
- [127] If you pay the custodial fee before it is charged to your SRA/IRA, the amount of the custodial fee may be tax deductible. You may *not* reimburse your account for the fee once it has been paid from your account.
- [128] In certain circumstances, fees may not be deducted from your SRA/IRA due to legal considerations. We may change the available methods and the timing of payment of custodial fees from time to time.
- [129] *Merrill Lynch may sell assets in your SRA/IRA to cover securities purchases and other expenses.*
- [119] Brokerage commissions, sales charges, asset-based fees and other routine charges for transactions in, or the investment of, the assets in your SRA/IRA will be assessed when applicable.
- [120] Merrill Lynch also may receive compensation from certain providers of investment alternatives for your SRA/IRA. Our fees, commissions and charges with respect to your SRA/IRA may change from time to time.
- [121] A late fee may be charged to accounts with past due balances.

## OTHER FEES

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## IRS Approval

- [130] **The Internal Revenue Service** has approved the Merrill Lynch SIMPLE Retirement Account Custodial Agreement as set forth in this booklet as to form (subject to subsequent amendments). Approval by the IRS is a determination as to the form, not the merits, of this SRA/IRA.

L-12-21

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## Custodial Agreement

- [1] **This custodial agreement**, adopted in accordance with Merrill Lynch's procedures for adopting an SRA/IRA, governs your SIMPLE Retirement Account/Individual Retirement ("SRA/IRA") of which Merrill Lynch is the custodian.
- [2] Your SRA/IRA is being established for, and this agreement shall be interpreted in accordance with, the purpose of providing you with the funding vehicle for your benefits under your employer's Savings Incentive Match Plan for Employees (SIMPLE) plan, including the Merrill Lynch SIMPLE Retirement Account Plan (SRA/IRA Plan) Program, pursuant to Section 408(p) of the Tax Code.
- [3] Throughout this agreement, the words **you** and **your** refer to the person for whom your SRA/IRA is established or maintained, and **Merrill Lynch, we, us, and our** refer to Merrill Lynch, Pierce, Fenner and Smith Incorporated, a registered broker-dealer and wholly-owned subsidiary of Bank of America Corporation. Merrill Lynch is the custodian of your SRA/IRA. By **Tax Code**, we refer to the Internal Revenue Code of 1986 and the regulations adopted under it, both as amended. By **SRA/IRA**, we refer to a SIMPLE retirement account/individual retirement account established to hold contributions made on your behalf under your employer's SIMPLE plan, which is not a traditional IRA, a Roth IRA, or a Coverdell Education Savings Account (formerly called an Education IRA), which is either a Merrill Lynch SRA/IRA or, an SRA/IRA with another financial institution.
- [4] Your SRA/IRA is established when we accept the first deposit your employer makes on your behalf to your account. Merrill Lynch has the right to reject an account that has not been established in accordance with our administrative procedures.
- ### Contributions
- [5] Under this Agreement, we will accept the following contributions made by check, money order, electronic funds transfer, or in-kind transfer of investments:
- SIMPLE plan contributions (including income deferrals) made by your employer for your benefit described in Section 408(p) of the Tax Code. However, you and your employer are responsible for determining whether the contribution is within the limits set by the Tax Code and whether your employer's SIMPLE plan meets the requirements of Section 408(p) of the Tax Code (cash only).
  - Rollovers or transfers of assets (cash, securities or other property) from another SRA/IRA.
  - Recharacterizations of SRA/IRA conversions from a Roth IRA under Section 408A(d)(6) of the Tax Code and the Treasury Regulations thereunder.
- [6] All non-cash assets must be compatible with our administrative and operational requirements. Cash contributions may be by check, money order or electronic funds transfer acceptable to us.
- [7] We will *not* accept:
- Contributions made by you or on your behalf to an individual retirement account (IRA) which is a traditional IRA, Roth IRA or Coverdell Education Savings Account.
  - Rollovers or transfers of assets from any IRA or retirement plan other than an SRA/IRA.
  - Contributions (including income deferrals) made on your behalf under an employer's Simplified Employee Pension (SEP) plan pursuant to Section 408(k) of the Tax Code.
  - Non-cash assets that are incompatible with our administrative and operational requirements.

[8] We will not knowingly accept SIMPLE plan contributions that exceed limits set under Tax Code Section 408(p) or from an employer's SIMPLE plan that does not meet the requirements of Section 408(p) of the Tax Code.

[9] If we discover an excess contribution, we will only return the excess to you after receiving specific written authorization from you.

### **Distributions**

[10] Any amount you or your beneficiaries receive from your SRA/IRA is called a "distribution."

[11] You may withdraw all or part of the assets in your SRA/IRA at any time to the extent your ability to do so has not been restricted by assigning assets in your SRA/IRA as security to repay the restricted amount of a distribution from a retirement plan as permitted under applicable U.S. Treasury regulations. Following your death, your beneficiary currently entitled to benefits can withdraw all or any part of his or her interest in your SRA/IRA, in a single sum, installments, or in the form of an annuity, at any time except to the extent of your assignment discussed in the preceding sentence or your beneficiary designation has restricted that beneficiary from taking certain distributions exceeding required minimum distributions (see Minimum Distributions (General Rules) and Minimum Distributions after Your Death, below).

[12] We will make distributions from your SRA/IRA after your proper completion of a withdrawal form, and its acceptance, according to our established policies. Distributions may be made directly to you or, subject to our rules and procedures, to your other Merrill Lynch non-retirement account. When you request a cash distribution, you must inform us as to which assets should be sold to make the distribution.

[13] *The distribution of non-cash investments, such as stocks or mutual fund shares, from your SRA/IRA involves the re-registration of these assets and can frequently take several weeks. In addition, certain investments are not readily saleable and/*

*or may be transferred into another owner's name only at specified times. You should allow extra time for processing such distributions, particularly when planning required minimum withdrawals.*

### **Minimum Distributions (General Rules)**

[14] As described further in Minimum Distributions During Your Lifetime (this page) and Minimum Distributions after Your Death (see page 19), certain "required minimum distributions" must be paid from your SRA/IRA to you during your lifetime and to your beneficiaries following your death. Such minimum distributions will be based on Tax Code Section 408(a)(6) and the U.S. Treasury Regulations issued thereunder, the provisions of which are included in your SRA/IRA by reference. Except for minimum distributions under the five-year rule of Minimum Distributions after Your Death (see page 19), minimum distributions will be required for certain distribution calendar years. The amount required to be distributed for each distribution calendar year will be determined by dividing the fair market value of your SRA/IRA as of December 31st preceding such year by distribution periods that are determined under U.S. Treasury Regulations. The value of your SRA/IRA as of any December 31st will include the value of rollovers, transfers and recharacterizations to your SRA/IRA from other plans or accounts that are outstanding as of that date.

[15] These minimum distributions may be paid to you or to your beneficiary from your SRA/IRA or they may be satisfied by purchasing an annuity that satisfies the requirements of U.S. Treasury Regulation Section 1.401(a)(9)-6, as of the purchase date.

[16] For purposes of computing required minimum distributions from your SRA/IRA, your "designated beneficiary" will be the natural person who is treated as a designated beneficiary under U.S. Treasury Regulation Section 1.401(a)(9)-4.



## Minimum Distributions During Your Lifetime

- [17] Your SRA/IRA must commence being distributed no later than the first day of April following the calendar year in which you attain age 73. This is your “required beginning date.” Although distributions need not commence until your required beginning date, the first distribution must be for the year in which you attain age 73 and may be made in that year. If your first minimum distribution is made in the calendar year after you attain age 73 (by April 1st), an additional required minimum distribution must be made to you by the end of that year. For example, if you attain age 73 on September 1, 2004, your required beginning date will be April 1, 2005 and, irrespective of whether your first minimum distribution (for 2004) is made in 2004 or between January 1 and April 1, 2005, another distribution (for 2005) must be made by December 31, 2005.
- [18] The distribution period for computing your required minimum distribution for each year will be the greater of: (1) the distribution period for your attained age in that year from the Uniform Lifetime Table in Treasury Regulation § 1.401(a)(9)-9 Q&A-2 or (2) if your spouse is your sole beneficiary for the full year and your spouse is more than 10 years younger than you, the distribution period from the Joint and Last Survivor Table of Treasury Regulation Section 1.401(a)(9)-9 Q&A-3 based on the attained ages of you and your spouse in such year.

## Minimum Distributions After Your Death

- [19] If you die *after* your required beginning date, but before your entire interest in your SRA/IRA has been distributed, the remaining balance of your SRA/IRA must continue to be distributed to your beneficiary at least as rapidly as follows:
- If you have a designated beneficiary as of September 30 of the year following the year of your death, the distribution period will be the longer of the period that will apply if you do not have a designated beneficiary as described below, or your designated beneficiary's life expectancy determined under (A) or (B) below:
    - (A) If your spouse is your sole designated beneficiary, your spouse beneficiary's life expectancy will be recalculated each year through your spouse's year of death and will be determined using your spouse's age as of his or her birthday in the year following the year of his or her death and reduced by one for each subsequent year
    - (B) If you have a non-spouse designated beneficiary, his or her life expectancy will be determined using the beneficiary's age as of his or her birthday in the year following the year of your death and reduced by one for each subsequent year.
  - If you do not have a designated beneficiary, the distribution period will be your remaining term certain life expectancy determined in the year of your death and reduced by one for each subsequent year.
- [20] If you die *before* your required beginning date, then your entire SRA/IRA must be distributed to your beneficiary by December 31 of the calendar year containing the fifth anniversary of your death except to the extent that an election is made to receive distributions in accordance with the following:
- If your interest is payable to a designated beneficiary, he or she may elect to receive your entire interest over a period not greater than the life expectancy of the designated beneficiary, determined using his or her age at his or her birthday in the year following the year of your death, and if the designated beneficiary is not your surviving spouse, payments must commence no later than December 31 of the calendar year following the year in which you died.
  - If your sole designated beneficiary is your surviving spouse, the distributions are required to commence by the later of:
    - (A) December 31 of the calendar year immediately following the calendar year in which you died; or
    - (B) December 31 of the calendar year in which you would have attained 73. If your surviving spouse sole designated beneficiary dies before distributions are

required to begin, the remaining interest in your SRA/IRA must be distributed to the successor beneficiary by December 31 of the calendar year containing the fifth anniversary of your spouse's death. However, if the successor beneficiary is a designated beneficiary, he or she may elect to have the remaining interest distributed, starting by the calendar year following your spouse's death, over the successor designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of your spouse.

- [21] If your sole designated beneficiary is your surviving spouse and your beneficiary designation has not specifically restricted your spouse from doing so, your spouse may roll over your SRA/IRA assets into his or her own SRA/IRA or may elect to treat your SRA/IRA as his or her own SRA/IRA. This election will be deemed to have been made if your surviving spouse has a contribution made to the account by his or her employer under its SIMPLE plan or makes a rollover contribution to or from the account, does not take a required minimum distribution otherwise required or delivers a notice to us that he or she is making this election. Following such election, or deemed election, your spouse must take distributions under Minimum Distributions During Your Lifetime, substituting "your spouse" for "you" and "your spouse's" for "your."

- [22] Minimum distributions after your death, except for the five-year rule must be made over the applicable life expectancy computed by use of the Single Life Table in Q&A-1 of U.S. Treasury Regulation Section 1.401(a)(9)-9. If your designated beneficiary is your surviving spouse, his or her life expectancy will be recalculated annually by using the number in the Single Life Table corresponding to your spouse's age in the year. For all other beneficiaries, the applicable life expectancy will be the number in the Single Life Table corresponding to the attained age of your beneficiary during the calendar year specified in (A) & (B) above, and payments for any subsequent calendar year will be calculated

based on such life expectancy reduced by one for each calendar year which has elapsed since the calendar year a life expectancy was first calculated. A similar term certain calculation will be made for your spouse beneficiary for years after his or her death, beginning with the year of his or her death.

### **Beneficiaries**

- [23] You may name one or more beneficiaries of your SRA/IRA, including individuals, your estate, a charity or a trust. These beneficiaries may be designated primary, contingent or successor beneficiaries and may be changed at any time, but must be designated in writing and are not effective until we receive and accept them. Unless your beneficiary designation provides otherwise, your beneficiaries may themselves designate successor beneficiaries who will take precedence over successor beneficiaries designated by you.
- [24] We reserve the right not to accept any beneficiary designation that is incompatible with our administrative and operational capabilities, even if such designation is otherwise allowable. A proper written designation or change of beneficiary, which you or your beneficiary executed prior to your or your beneficiary's death and which we receive following your or your beneficiary's death, will govern distributions from your SRA/IRA following, but not prior to, our acceptance of the designation.
- [25] You may restrict a beneficiary from taking distributions in excess of specified amounts, although these distributions must at least equal required minimum distributions described in Minimum Distributions after Your Death, page 19.
- [26] After your death, Merrill Lynch will make distributions to the listed beneficiary of record, regardless of state community property law. If, as a result of state community property law, payments are to be made to the surviving spouse rather than the named beneficiary, a written statement authorizing such payment must be submitted and signed by the spouse and the designated beneficiary.

- [27] If your beneficiary is a trust or your estate, distributions will generally be made to the relevant trustee or the executor(s) of your estate. However, the trustee or executor may, subject to any rules we establish, provide written directions to us to make distributions to the beneficiaries of the trust or estate of its interest in your SRA/IRA.
- [28] If you are divorced or your marriage is annulled after you designate your spouse as the beneficiary, the designation is void *unless*:
- The decree of divorce or annulment designates such spouse as beneficiary;
  - You designate your spouse as beneficiary; or
  - Such spouse is re-designated to receive proceeds or benefits in trust for, on behalf of, or for the benefit of your child or dependent.
- [29] Unless otherwise provided in your beneficiary designation, if a primary beneficiary predeceases you, his or her share will be distributed to remaining primary beneficiaries in proportion to their payment percentages. If no primary beneficiaries survive you, the balance will be distributed to your contingent beneficiaries.
- [30] If you have not designated a beneficiary, or if no beneficiary survives you, your SRA/IRA balance will be paid to your surviving spouse, or, if you are not survived by your spouse, to your estate.

### **Investments**

- [31] You are responsible at all times for directing the investment of assets in your SRA/IRA, including the direction to enroll in a Merrill Lynch investment advisory program. *We do not assume liability for any losses incurred in your SRA/IRA as a consequence of the investments you selected, including the direction to enroll in a Merrill Lynch investment advisory program.*
- [32] Your SRA/IRA may invest in one or more investment alternatives we offer, subject to any rules we may reasonably establish, or your SRA/IRA may sell any such assets and reinvest the proceeds. All investments must be compatible with our administrative and operational requirements, which may change from time to time.
- [33] Dividends and other distributions on shares of mutual funds in which your SRA/IRA is invested will be paid in cash, where the option exists and will be deposited along with other cash balances (see Cash Balances on page 22).
- [34] In no event may the assets in your SRA/IRA be commingled with other property except in a common trust fund or a common investment fund.
- [35] Your SRA/IRA cannot invest in collectibles (works of art, antiques, rugs, most metals, gems, stamps, most coins and alcoholic beverages) and life insurance contracts.
- [36] You may enroll your SRA/IRA in a Merrill Lynch investment advisory program, as provided under a separate agreement. Except as provided under a such separate agreement, Merrill Lynch will not have discretionary authority or control with respect to the investment of your SRA/IRA assets and will not render advice that is individualized for your SRA/IRA under any mutual agreement, arrangement or understanding that the advice will serve as a primary basis for your SRA/IRA investment decisions.
- [37] Except as provided under a separate agreement, we have no duty to determine or advise you or any other person of the investment consequences resulting from your or their actions involving your SRA/IRA and we are not liable for the investment consequences of your or their actions, or of our actions following your directions, or of our failing to act in the absence of your or their directions. In addition, we have no duty to determine or advise you or any other person of the tax or other consequences resulting from your or their actions involving your SRA/IRA and we are not liable for the tax or other consequences of your or their actions, or of our actions following your directions, or of our failing to act in the absence of your or their directions.
- [38] Except as provided under a separate agreement, we will not make any investments or dispose of any investments in your SRA/IRA without your direction, except as otherwise provided in this agreement. For instance, we

may sell assets to pay amounts owed to us or if your SRA/IRA is considered abandoned, in which case we will pay the assets to the state of your last known residence.

- [39] Unless you are enrolled in a Merrill Lynch investment advisory program, we are not responsible for reviewing the assets in your SRA/IRA or for making recommendations on acquiring, retaining or selling any assets. No Merrill Lynch Research opinion, Independent Research opinion, the inclusion of a security on any list, or any information provided to you either on the Merrill Edge website or by mail or any other means constitutes a recommendation to you to purchase, hold or sell any investment nor should you view Merrill Lynch as providing impartial investment advice to you by reason of making such research, opinions, lists or information available to you.
- [40] You may appoint an investment advisor or other person to act as your representative with authority to direct investments of any assets in your SRA/IRA. If you do so, you *agree* that the appointment is effective only if:
- We have received a signed copy of an agreement between you and such person, which is acceptable to us and which specifies that such person may act on your behalf and direct us as to how to invest your assets; and
  - We do not object to acting on the directions of such person, which objection we may assert at any time for any reason.
- [41] *Note that “you” and “your” may refer to this investment advisor with respect to investment decisions, but not with respect to account ownership and contributions.*
- [42] We may hold securities in your SRA/IRA in our name or the name of any nominee we select, without qualification or description of ownership.
- [43] We may make, sign and deliver any written contracts, waivers, releases or other documents necessary to carry out your instructions.
- [44] We may establish sub-accounts for permitted investment purposes.
- [45] We will provide you with all notices, prospectuses, financial statements, proxies

and proxy solicitations we receive concerning investments in your SRA/IRA. We will follow your written instructions for voting shares and exercising other rights of ownership. Subject to, and except as permitted by any applicable rules of the Securities and Exchange Commission and any national securities exchanges, in the absence of written instructions from you, we will not exercise such rights in the absence of authorization from you, and will not be responsible for the consequences of failing to take action.

- [46] If we cannot locate you or your beneficiary, Merrill Lynch can, with no responsibility for the consequences, sell any or all the assets in your SRA/IRA. We may then, if not already deposited through a sweep option in effect for your account, invest in a money market fund or deposit the proceeds in an interest-bearing account. We will do so only after waiting at least two months from the date we attempt to locate you or your beneficiary by sending a written notice to the last address shown for you or your beneficiary in our records.

### **Annuity contracts**

- [47] If annuity contracts are offered as investments for your SRA/IRA, Merrill Lynch, as custodian, must own any annuity and will exercise all rights under the annuity by following your written instructions.
- [48] We are not responsible for the validity of any annuity held in your SRA/IRA or the failure of any insurance company to make annuity payments. Also, unless caused by gross negligence or willful misconduct, our failure to purchase an annuity or pay an annuity premium when due will not give anyone a claim against us.
- [49] If your contribution toward an annuity is not sufficient to pay the premium due, we will notify you and inquire whether you wish us to sell any assets in the SRA/IRA to pay the premium. If we are unable to pay the premium when due, depending on the terms of the annuity contract, the annuity will either be placed on a paid up basis or the annuity benefit amount will be reduced.

- [50] Any death benefit under the annuity must be payable to your SRA/IRA for distribution to any beneficiary designated under your SRA/IRA.
- [55] We will keep accurate and detailed records of all transactions concerning your SRA/IRA.

### **Cash balances**

- [51] *You authorize the deposit of cash balances in your SRA/IRA in accounts with Bank of America, N.A. America, N.A. or Bank of America California, N.A., or with affiliated or unaffiliated depository institutions that bear interest equal to daily yields as shown on our website. If a deposit program is not available for your SRA/IRA, cash balances will be deposited in the option made available for cash balances.*
- [57] If you do not write to us to object to a report within 60 days after we send it to you, you will be considered to have approved it and to have released us from all responsibility for matters covered by the report.

### **Fees**

- [52] *You agree to pay us all applicable fees and costs, including:*
- Fees for our services as custodian of your SRA/IRA, according to our current schedule, which may change from time to time;
  - Merrill Lynch investment advisory program fees, when applicable;
  - All applicable taxes, including transfer taxes on investments; and investments; and
  - Any other expenses we incur as custodian or that may otherwise be properly charged to your account.
- [53] We may deduct directly from your SRA/IRA any such fees, tax reimbursements or expenses owed to us. If sufficient cash is not available in your SRA/IRA, we reserve the right to sell any assets in your SRA/IRA to cover amounts due us. We may also, at your direction, deduct fees and expenses of any investment advisor you appoint, to the extent not paid by you or otherwise prohibited.
- [58] *You agree to provide us with any information we may need to comply with our legal reporting requirements. You will continue to be responsible for filing your tax return and any other reports required of you by federal law.*

### **Taxes**

- [59] If investments in your SRA/IRA generate "unrelated business taxable income" of more than \$1,000 during the year, we may have to calculate and pay income taxes on that amount. If so, we reserve the right to impose a fee for filing a tax return for your SRA/IRA.

### **Resigning as custodian**

- [60] If we ever resign as custodian, we will notify you in writing at your last known address at least thirty (30) days in advance of our resignation. You acknowledge and agree that, upon your receipt of notice of our resignation as your custodian: (i) you will have the right to select your successor custodian, provided that you have given us written instruction to transfer your SRA/IRA assets to another SRA/IRA custodian or trustee in advance of the effective date of our resignation; (ii) if you have not provided us with instructions regarding your preferred successor custodian, we may, in our sole discretion and without further notice to you, designate a successor custodian (including one affiliated with us) on your behalf; and (iii) in the event no successor custodian is designated by you (including in particular if we

### **Our rights and responsibilities**

- [54] We have no duty to perform any actions other than those specified in this agreement. We can accept and rely conclusively on any instructions or other communications we reasonably believe to have been given either by you or some other authorized person. We can assume that the authority of such person continues in effect until we receive written notice to the contrary.

appoint a successor custodian on your behalf), we may liquidate without further notice to you all of the assets in your account, and all proceeds from such liquidation will be either (a) transferred to the successor custodian or (b) sent to your last known address in the form of a check. Please note that in the event we liquidate any of your assets, any outstanding obligations and/or debit balance(s) you may owe in your SRA/ IRA account(s), including any annual and closing fees, will be deducted by Merrill Lynch prior to any checks being issued. Additionally, the liquidation of any security may incur fees, including mutual fund contingent deferred sales charges, or other applicable liquidation fees, which also will be paid with the proceeds of your liquidated assets.

[61] You are required to direct us to transfer your account to some other trustee or custodian in the unlikely event that the IRS notifies us that we no longer qualify to act as custodian. We will make a transfer after receipt of the new custodian or trustee's written acceptance of the appointment.

[62] *Certain investments, such as limited partnerships, generally can be transferred only annually, semi-annually or at some other specified intervals. Additionally, some investments, such as certain certificates of deposit (CDs), cannot be delivered and must be either liquidated or held with the custodian until maturity.*

### **Nonforfeitability**

[63] Your right to the balance in your SRA/IRA cannot be forfeited at any time.

### **Exclusive benefit and restrictions on sale or transfer**

[64] Your SRA/IRA is exclusively for the benefit of you and your beneficiaries. After your death, your beneficiaries, except as specifically provided to the contrary, will have all the rights and all the obligations you had with respect to your SRA/IRA. You cannot sell or assign any interest in your SRA/IRA. However, you may be able to transfer all or part of your SRA/IRA to a former spouse under the terms of a divorce decree or written agreement made in connection with your divorce. Following your death, the trustee of a trust or the personal

representative of an estate which is your beneficiary may be able to direct us to make distributions directly to the beneficiaries of such trust or estate, as provided in Beneficiaries on page 8.

### **Indemnification**

[65] *You agree to repay us for any liabilities or expenses we may incur as a result of this agreement, other than those arising out of our failure to perform our specified duties.*

[66] Except as to controversies arising between us, we can apply to a court at any time for judicial settlement of any matter involving your SRA/IRA. If we do so, we must give you the opportunity to participate in the court proceeding, but we can also involve other persons.

[67] Any expenses we incur in legal proceedings involving your SRA/IRA, including attorney's fees, are chargeable to your SRA/IRA and payable by you if not paid from your SRA/IRA.

### **Arbitration**

[68] **This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

- **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.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- **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.**
- **The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**

- 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.
  - The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.
- [69] **You agree that all controversies that may arise between us shall be determined by arbitration. Such controversies include, but are not limited to, those involving any transaction in any of your accounts with Merrill Lynch, or the construction, performance or breach of any agreement between us, whether entered into or occurring prior, on or subsequent to the date hereof.**
- [70] **Any arbitration pursuant to this provision shall be conducted only before the Financial Industry Regulatory Authority, Inc. (FINRA) or an arbitration facility provided by any other exchange of which Merrill Lynch is a member, and in accordance with the respective arbitration rules then in effect in FINRA or such other exchange.**
- [71] **You may elect in the first instance whether arbitration shall be conducted before FINRA or another exchange of which Merrill Lynch is a member, but if you fail to make such election by registered letter addressed to Merrill Lynch at the office where you maintain your account before the expiration of five days after receipt of a written request from Merrill Lynch to make such election, then Merrill Lynch may make such election.**
- [72] **Judgment upon the award of the arbitrators may be entered in any court, state or federal, having jurisdiction.**
- [73] **No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute 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: (i) the class certification is denied; or (ii) the class is decertified; or (iii) 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.**
- [74] **This agreement does not prohibit or restrict you from requesting arbitration of a dispute in the FINRA arbitration forum as specified in FINRA rules.**
- [75] **Notwithstanding the foregoing, any agreement or award made as a result of an arbitration proceeding shall not be in violation of Section 408 of the Tax Code and related regulations.**
- Governing Law**
- [76] The laws of the State of New York and federal law applicable to individual retirement accounts (IRAs) shall govern this agreement, and its enforcement, without regard to the community property laws of any state.
- Amendments**
- [77] We reserve the right to amend this agreement and will give you written notice of any amendment. Written notice of any amendment in a manner determined by Merrill Lynch, including electronic delivery or posting electronically to an internet address.
- Binding effects on successors**
- [78] You and we agree that this agreement will be binding on and will inure to the benefit of the beneficiaries, heirs, successors and personal representatives of you, your beneficiaries and Merrill Lynch.
- Electronic Delivery**
- [79] We will provide any notice (written or otherwise) required under the SRA/IRA or the Tax Code in a manner determined by us, in our sole discretion, including electronic delivery or posting to an internet address.
- L-12-21

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# Prototype SIMPLE

## Retirement Account Plan

### ARTICLE I: DEFINITIONS

As used in this Prototype SIMPLE Retirement Account Plan and Employer's Adoption Agreement, each of the following terms shall have the meaning for that term set forth in this Article I:

"Affiliate" means any corporation or unincorporated business (other than the Employer): (a) which is controlled by, or under common control with, the Employer within the meaning of section 414(b) or (c) of the Code,

(b) which is a member of an "affiliated service group" (as defined in section 414(m) of the Code) which includes the Employer, or (c) which is required to be aggregated with the Employer under section 414(o) of the Code and the regulations thereunder.

"Business" means in the case of an Employer that is a sole proprietorship or partnership, the trade or business of the Employer with respect to which this Plan is adopted, and in the case of an Employer that is a corporation, each trade or business of the corporation.

"Code" means the Internal Revenue Code of 1986, as now in effect or as amended from time to time. A reference to a provision of the Code shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

"Compensation" means:

- (a) For an Employee other than a Self-Employed Individual, wages [as defined in Code section 3401(a)] included in the "Wages, Tips and Other Compensation" box on the Internal Revenue Service Form W-2 furnished to the Employee, which information is required to be reported by the Employer under Code section 6051(a) (3). Compensation shall also include any amount which is contributed by the

Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Employee under Code sections 402(e)(3), 402(h), 402(k), 403(b), or compensation deferred under section 457 included in the appropriate box on the Form W-2 (Box 12 for 200), which information is required to be reported under Code section 6051(a) (8). Compensation does not include any amounts deferred by the Employee pursuant to a section 125 cafeteria plan.

- (b) For a Self-Employed Individual, his or her Net Earnings for the year involved, including any Salary Reduction Contributions made on his or her behalf under this Prototype SIMPLE Plan and without reduction for any deduction otherwise available to such individual with respect to any other contribution made to the Plan on his or her behalf.
- (c) In addition to other applicable limitations set forth in the Plan, the annual Compensation of each Employee (including a Self-Employed Individual) taken into account under the Plan in determining the amount of the Employer's Nonelective Contribution, if any, shall not exceed \$23,000, as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code.

"Election Period" means the 60-day period before the beginning of any Plan Year and a 60-day period that includes either the day an Eligible Employee becomes eligible to make Salary Reduction Contributions, or the day immediately before such day, as determined by the Employer.

"Eligible Employee" means any Employee of an Employer other than an Employee in either or both of the following categories of Employees:

- (a) Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer or any Affiliate and "employee representatives," if retirement benefits were the subject of good faith bargaining



and 2% or less of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation § 1.410(b)-9(g). For this purpose, the term “employee representatives” does not include any organization more than half of whose members are Employees who are owners, officers or executives of the Employer or any Affiliate.

- (b) Nonresident aliens within the meaning of Code section 7701(b)(1)(B) who receive no earned income within the meaning of Code section 911(d)(2) from the Employer or any Affiliate which constitutes income from sources within the United States within the meaning of Code section 861(a)(3).

Notwithstanding the foregoing, the Employer’s Adoption Agreement may provide for inclusion of either or both categories of Employees as Eligible Employees.

“Employee” means a Self-Employed Individual, any individual who is employed by the Employer in the Business and any individual who is employed by an Affiliate. Each Leased Employee shall also be treated as an Employee of the recipient Employer.

“Employer” means the corporation, proprietorship, partnership or other organization (or any successor thereto) which adopts the Plan by execution of an Employer’s Adoption Agreement. Each Affiliate shall also adopt this Plan, and each of such adopting Affiliates shall be deemed an “Employer” with respect to the Plan; provided that the Employer signing the Employer’s Adoption Agreement shall (a) be the Plan sponsor within the meaning of ERISA section 3(16)(B), and (b) have the authority to act for all participating Employers with respect to Plan administration and the execution and amendment of the Plan.

“Employer Contributions” means the contributions made on a Participant’s behalf described in Article IV.

“Employer Matching Contributions” means the Employer Contributions described in Subsection A of Article IV.

“Employer Nonelective Contributions” means the Employer Contributions described in Subsection B of Article IV.

“Employer’s Adoption Agreement” means a document so designated with respect to this SIMPLE Plan and executed by the Employer, as amended from time to time.

“ERISA” means the Employee Retirement Income Security Act of 1974, as now in effect or as amended from time to time. A reference to a provision of ERISA shall be to such provision and any valid regulations pertaining thereto as well as to the corresponding provision of any legislation which amends, supplements or supersedes that provision and any valid regulations pertaining thereto.

“Leased Employee” means any individual (other than an Employee) who, pursuant to an agreement between the recipient Employer and any other person (the “leasing organization”), has performed services for the recipient Employer (or for the recipient Employer and “related persons” determined in accordance with Code section 414(n)(6)) on a substantially full-time basis for a period of at least one year, such services are performed under the primary direction or control of the recipient Employer and any other individual who must be treated as a “leased employee” under regulations adopted pursuant to Code section 414(o).

“Net Earnings” means the net earnings from self-employment (within the meaning of Code section 1402(a)) of a Self-Employed Individual with respect to the Employer. “Net Earnings” shall be determined as if the term “trade or business” for purposes of Code section 1402 included service described in Code section 1402(c)(6).

“Participant” means an Eligible Employee who satisfies the eligibility requirements of Article II with respect to the Plan Year involved and (a) has elected to make Salary Reduction

Contributions under this Prototype SIMPLE Plan, or (b) is entitled to receive an allocation of an Employer Nonelective Contribution.

“Plan” means the simple retirement account plan of the Employer in the form of this Prototype SIMPLE Plan and the applicable Employer’s Adoption Agreement executed by the Employer.

“Plan Year” means the calendar year. If the Plan becomes effective on a date between January 1 and October 1, the term “Plan Year” shall also include the short period commencing on the effective date and ending on December 31 of the calendar year in which the Plan first became effective; provided, however, that for all purposes of measuring Compensation under this Prototype SIMPLE Plan for such first Plan Year, Compensation shall be determined on the basis of the entire calendar year in which the first Plan Year began.

“Prototype SIMPLE Plan” means Merrill Lynch’s Prototype SIMPLE Retirement Account Plan as set forth in this document, as amended from time to time.

“Qualified Military Service” means any service in the uniformed services (as defined in Chapter 43 of Title 38, United States Code) where an Employee is entitled to reemployment rights under such Chapter with respect to such service.

“Salary Reduction Agreement” means an agreement entered into between an Employee and the Employer to reduce the Compensation otherwise payable directly to the Participant in cash, as further described in Article III of this Prototype SIMPLE Plan.

“Salary Reduction Contributions” means the contributions made on a Participant’s behalf described in Article III.

“Self-Employed Individual” means an individual described in section 401(c)(1) of the Code.

“SRA/IRA” means the simple retirement account, as that term is defined in section 408(p)(1) of the Code, established by or on behalf of an Employee for investment of contributions made on behalf of the Employee

under the Plan. The SRA/IRA must be either an Internal Revenue Service model IRA, Form 5305-S or 5305-SA, or a Service-approved prototype SIMPLE retirement account.

## **ARTICLE II: ELIGIBILITY TO PARTICIPATE**

Each individual who is an Eligible Employee who received at least \$5,000 in Compensation from the Employer during any two preceding calendar years and who is reasonably expected to receive at least \$5,000 in Compensation during the Plan Year shall be eligible to participate in the Plan and to receive an allocation to his or her SRA/IRA for the Plan Year.

Notwithstanding the foregoing, the Employer’s Adoption Agreement may permit Eligible Employees with less than \$5,000 in Compensation in any prior calendar year, and Eligible Employees who are reasonably expected to earn less than \$5,000 in the Plan Year involved, to participate.

Immediately before the Election Period, the Employer shall notify each Eligible Employee who satisfies the foregoing eligibility requirements of the Employee’s eligibility to participate in the Plan. Such notice shall include a copy of the summary description as described in section 408(l)(2)(B) of the Code.

## **ARTICLE III: SALARY REDUCTION CONTRIBUTION**

Each Participant may, pursuant to a Salary Reduction Agreement, make an election during the Election Period to have Compensation that is received subsequent to the election reduced, through continuing contributions by an amount based on a percentage of his Compensation, not in excess of the amount specified in Code section 408(p)(2)(E) for the applicable calendar year.

Notwithstanding the foregoing, a Participant who is age 50 or over by the end of the Participant’s tax year may make additional Salary Reduction Contributions to the Plan in accordance with, and subject to the limitations of, Code section 414(v) and any guidance issued thereunder. A Participant’s total Salary Reduction Contributions cannot exceed his

Compensation. All retirement plans maintained by the Employer will be treated as a single plan for purposes of these additional Salary Reduction Contributions. These additional Salary Reduction Contributions are not subject to any other contribution limit and are not taken into account in applying other contribution limits.

The Employer or an Affiliate will contribute these amounts as Salary Reduction Contributions to the Participant's SRA/IRA as an Employer Contribution for the Plan Year. This contribution will be made as of the earliest date on which contributions for a Participant can be reasonably segregated from the Employer's general assets, but in no event later than 30 days after the last day of the month with respect to which the Salary Reduction Contributions are to be made.

No Salary Reduction Contributions may be made by a Participant on the basis of Compensation that the Participant received before the later of the Effective Date of this Plan, as specified in the Employer's Adoption Agreement or the execution by the Participant of a Salary Reduction Agreement.

A Participant may increase or decrease his or her Salary Reduction Contributions for any Plan Year during the Election Period for such Plan Year by providing written notice of such modifications to the Employer. Notwithstanding the foregoing, the Employer's Adoption Agreement may permit more frequent modifications of a Participant's Salary Reduction Contributions.

A Participant may elect to cease Salary Reduction Contributions at any time during the Plan Year; provided, however, that the Participant may not elect to resume Salary Reduction Contributions until the beginning of the next Plan Year, unless the Employer's Adoption Agreement provides otherwise.

## **ARTICLE IV: EMPLOYER CONTRIBUTIONS**

### **A. Employer Matching Contribution**

Subject to Subsection B, the Employer shall make an Employer Contribution Matching Contribution for each Plan Year to the SRA/IRA of each Participant in an amount equal to each

Participant's Salary Reduction Contributions, for the Plan Year of up to 3% of the Participant's Compensation for the Plan Year.

Notwithstanding the foregoing, the Employer may elect to match a percentage lower than 3% of each Participant's Compensation (but not less than 1%) in any two Plan Years during the five-year period ending with such Plan Year. If any Plan Year in the foregoing five-year period is a year prior to the first year any simple retirement account as described in section 408(p) of the Code is in effect with respect to the Employer (or any predecessor), the Employer shall be treated as if the level of Employer Matching Contributions was 3% for such prior Plan Year.

If the Employer elects to match a percentage of each Participant's Compensation lower than 3% for any Plan Year, it shall notify those Eligible Employees entitled to receive such notice of such lower percentage within a reasonable period of time before the Election Period for such Plan Year.

### **B. Employer Nonelective Contribution**

If the Employer so elects, in lieu of the Employer Matching Contributions for any Plan Year, the Employer may make an Employer Nonelective Contribution for such year to the SRA/IRA of each Eligible Employee who satisfies the eligibility requirements set forth in Article II and who has at least \$5,000 of Compensation from the Employer for the Plan Year. The Employer Nonelective Contribution shall be equal to 2% of each such Eligible Employee's Compensation.

Notwithstanding the foregoing, the Employer's Adoption Agreement may permit Eligible Employees to receive an Employer Nonelective Contribution even if they do not have at least \$5,000 in Compensation from the Employer for the Plan Year, but who otherwise satisfy the eligibility requirements set forth in Article II.

If the Employer elects to make an Employer Nonelective Contribution for a Plan Year, it shall notify those Eligible Employees entitled to receive such notice of such election within a reasonable period of time before the 60-day Election Period for such Plan Year.

### **C. Deductibility of Employer Contributions**

The Employer may, subject to limitations contained in the Code, deduct contributions made to the Plan in the taxable year of the Employer with or within which the Plan Year ends. Employer Matching Contributions or Employer Nonelective Contributions made for a particular taxable year of the Employer must be contributed by the due date of the Employer's income tax return (including extensions) and are deemed made in such taxable year for purposes of the Employer's deduction.

### **D. Employer Tax Credit**

Employers who employ 100 or fewer employees who have received at least \$5,000 of Compensation from the Employer in the preceding year and employ at least one employee who is not a highly compensated employee, as defined in Code section 414(q), may claim a tax credit of 50% of the administrative and retirement-education expenses incurred for the Plan. The credit is limited to \$500 and may be claimed by the Employer for the first three years of the plan.

### **ARTICLE V: VESTING**

Each Participant shall be fully vested at all times in his Salary Reduction Contributions, Employer Matching Contributions and Employer Nonelective Contributions, if any.

### **ARTICLE VI: MILITARY SERVICE**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

### **ARTICLE VII: TRANSFERS AND WITHDRAWALS**

The Employer may not require a Participant to retain any portion of the contributions made to the Participant's SRA/IRA in such SRA/IRA, or otherwise impose any withdrawal restrictions.

In accordance with section 408 of the Code, any amount paid or withdrawn from a Participant's SRA/IRA may be rolled over or transferred on a tax-free basis, at any time, to another individual retirement account or annuity designed solely to hold funds under a simple retirement account plan. A Participant may also roll over or transfer on a tax-free basis any amount paid or withdrawn from the Participant's SRA/IRA to a traditional individual retirement account or annuity after a two-year period has expired since the Participant first participated in the Plan or any other simple retirement account maintained by the Participant's employer under section 408(p) of the Code.

A Participant may also roll over on a tax-free basis any amount paid or withdrawn from the SRA/IRA to a qualified retirement plan, 403(b) plan, 403(a) plan or an eligible governmental 457 plan in accordance with Code section 408(d)(3), after a two-year period has expired since the Participant first participated in the Plan or any other simple retirement account maintained by the Participant's employer under section 408(p) of the Code.

Any amount paid or withdrawn from a Participant's SRA/IRA during the two-year period beginning on the date that the Participant first became a Participant in the Plan or any other simple retirement account maintained by the Participant's employer under section 408(p) of the Code, and that is subject to the additional tax on early distributions under section 72(t) of the Code, will be subject to a 25% (rather than 10%) additional tax for early withdrawal.

## **ARTICLE VIII: EMPLOYER ELIGIBILITY REQUIREMENTS**

An Employer, with respect to any Plan Year, must have no more than 100 Employees who received at least \$5,000 of Compensation from the Employer for the preceding Plan Year to be an employer eligible to maintain this Prototype SIMPLE Plan; provided, however, that an eligible employer who establishes and maintains this Plan for one or more years and fails to satisfy the foregoing eligibility requirements for any subsequent year shall be treated as an eligible employer for the two years following the last year the employer qualified as an eligible employer.

In addition, an Employer (or any predecessor employer) who maintained a “qualified plan” (which is defined as a plan, contract, pension or trust described in section 219(g)(5)(A) or (B) of the Code) with respect to which contributions were made or benefits were accrued, for service in any calendar year in the period beginning with the calendar year the Prototype SIMPLE Plan became effective and ending with the calendar year for which the determination is being made, will not be eligible to maintain this Plan and neither Salary Reduction Contributions nor Employer Contributions may be made under this Plan. Notwithstanding the foregoing, an Employer will be eligible to maintain this Plan, if it also maintains a “qualified plan(s)” (as defined above) solely for the category of Employees described in Section 1.6(a) of the Plan and the Employer’s Adoption Agreement does not provide for inclusion of such category of Employees as Eligible Employees.

Notwithstanding anything herein to the contrary, if the Employer fails to satisfy any of the requirements described in this Article VIII and the first paragraph of Article II hereof on account of an acquisition, disposition, or similar transaction, the Employer shall not be treated as failing to meet such requirement during the period beginning on the date of the transaction and ending on the last day of the second calendar year following the calendar year in which such transaction occurs, if the following requirements are met: (a) the Employer satisfies requirements similar to the rules under section 410(b)(6)(C)(i)(II) of the Code, and (b) the Plan would satisfy such requirement after the transaction if the Employer that maintained the Plan before the transaction had remained a separate Employer.

## **ARTICLE IX: AMENDMENT**

Merrill Lynch reserves the right to amend this Plan and will give the Employer written notice of any amendment. The Employer may amend the Plan as applied to the Employer by changing its elections on the Adoption Agreement and will give Merrill Lynch written notice of any such change in election. Notwithstanding the foregoing, any amendment must conform to the substantive provisions of the Plan notice provided to Participants for the calendar year.

## **ARTICLE X: ELECTRONIC DELIVERY**

Merrill Lynch shall provide any notice (written or otherwise) required under the Plan or the Code in a manner determined by Merrill Lynch, in its sole discretion, including electronic delivery or posting to an internet address.

L-11-16



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Sponsor Name: MERRILL LYNCH PIERCE FENNER & SMITH INC  
Arrangement Description: SIMPLE IRA Custodial Account 003  
FFN: 50194150009-003 Case: 200300618 EIN: 13-1380817  
BPD: 09 Plan: 003 Letter Serial No: K101096b

MORGAN LEWIS & BOCKIUS LLP  
VIVIAN S MCCARDELL ESQ  
1701 MARKET STREET  
PHILADELPHIA, PA 19103

Contact Person:  
Ms. Arrington 50-00197  
Telephone Number:  
(202) 283-8811  
In Reference To:  
T:EP:RA:T2  
Date: 01/28/2004

\*\* COPY FOR AUTHORIZED REPRESENTATIVE \*\*

Dear Applicant:

In our opinion, the amendment to the form of the prototype trust, custodial account or annuity contract identified above is acceptable under section 408 of the Internal Revenue Code, as amended through the Job Creation and Workers assistance Act of 2002, for use as a SIMPLE IRA under Code section 408(p). This opinion letter may not be relied on with respect to whether a SIMPLE IRA Plan, under which contributions are made by an employer to the SIMPLE IRA, satisfies the requirements of Code section 408(p).

Each individual who adopts this approved prototype will be considered to have a SIMPLE IRA that satisfies the requirements of Code section 408, provided he or she follows the terms of the approved prototype document, does not engage in certain transactions specified in Code section 408(e), and, if the SIMPLE IRA is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(n) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each adopting individual as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the SIMPLE IRA.

The Internal Revenue Service has not evaluated the merits of this SIMPLE IRA and does not guarantee contributions or investments made under the SIMPLE IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

The prototype SIMPLE IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Folder Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their SIMPLE IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype SIMPLE IRA.

Sincerely yours,

*Paul G. Schultz*  
Director,  
Employee Plans Rulings & Agreements





DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Sponsor Name: MERRILL LYNCH PIERCE FENNER & SMITH INC  
Plan Description: Prototype SIMPLE IRA Plan 001  
PFN: 50994150000-001 Case: 200300617 EIN: 13-3180817  
BPD: 00 Plan: 001 Letter Serial No: K901095b

MORGAN LEWIS & BOCKIUS LLP  
VIVIAN S MCCARDELL ESQ  
1701 MARKET STREET  
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Contact Person:  
Ms. Arrington 50-00197  
Telephone Number:  
(202) 283-8811  
In Reference To:  
T:EP:RA:T2  
Date: 01/28/2004

\*\* COPY FOR AUTHORIZED REPRESENTATIVE \*\*

Dear Applicant:

In our opinion, the amendment to the form of your Savings Incentive Match Plan for Employees of Small Employers (SIMPLE IRA Plan) does not adversely affect its acceptability under section 408(p) of the Internal Revenue Code. This SIMPLE IRA Plan is approved for use only in conjunction with one or more SIMPLE Individual Retirement Arrangements (SIMPLE IRAs), each of which meets the requirements of Code section 408(p) and has received a favorable opinion letter, or is a model SIMPLE IRA (Form 5305-S or 5305-SA).

An employer that adopts this approved prototype will be considered to have a SIMPLE IRA Plan that satisfies the requirements of Code section 408(p) provided that the terms of the plan are followed and that it is used in conjunction with one or more approved SIMPLE IRAs. Please provide a copy of this letter to each adopting employer.

Code section 408(l)(2) requires an employer that adopts a SIMPLE IRA Plan to provide to employees certain information about the SIMPLE IRA Plan.

Your prototype may have to be amended to include or revise provisions to comply with future changes in the law or regulations.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The sponsoring organization must provide its address and telephone number for inquiries by individual participants and adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the File Folder Number (PFN) shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us in writing if you modify or discontinue sponsorship of this prototype plan.

Sincerely yours,

*Paul G. Shultz*  
Director,  
Employee Plans Rulings & Agreements

The following is a copy of the written notice of approval, issued by the Internal Revenue Service on August 3, 1987. The notice, which the IRS requires that we provide for your information indicates that Merrill Lynch is approved to act as a nonbank custodian.

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Merrill Lynch, Pierce, Fenner  
& Smith Inc.  
One Liberty Plaza  
165 Broadway  
New York, NY 10080

Person to Contact:

Mr. T. Porter  
Telephone Number:  
(202) 566-6120  
Telex Reply to:  
QP:E:EP:R:7  
Date:

E.I.N. 13-3180817

AUG 3 1987

Dear Applicant

In a letter dated April 14, 1987, as supplemented by letters dated up to and including July 7, 1987, you requested a written notice of approval that Merrill Lynch, Pierce, Fenner & Smith may act as a nonbank custodian of individual retirement accounts (IRAs) and as a nonbank custodian for plans qualified under section 401 of the Internal Revenue Code as provided in section 1.401-12(n) of the Income Tax Regulations.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under section 408(a), if the assets of such account are held by a bank (as defined in section 408(n) of the Code) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of section 408, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in section 408(a). In the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account will be treated as the trustee thereof.

Section 401(f)(2) of the Code provides that a custodial account shall be treated as a qualified trust under this section if the custodial account would, except for the fact that it is not a trust, constitute a qualified trust under this section, and the custodian is a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such other person will hold the assets will be consistent with the requirements of section 401. In the case of a custodial account treated as a qualified trust by reason of section 401(f), the person holding the assets of such account shall be treated as the trustee.

Merrill Lynch, Pierce, Fenner & Smith Inc.

Section 1.401-12(n) of the regulations provides that a nonbank applicant must file a written application with the Commissioner of Internal Revenue demonstrating, as set forth in that section, that the manner in which the person will administer trusts will be consistent with the requirements of section 401 of the Code. Section 1.401-12(n) of the regulations is used to determine the ability of a nonbank applicant to act as a trustee of IRAs or as a custodian of IRAs and of retirement plans qualified under section 401 of the Code.

Based on all the representations made in the application we have concluded that Merrill Lynch, Pierce, Fenner & Smith Inc. meets the requirements of section 1.401-12(n) of the regulations and, therefore, is approved to act as a nonbank custodian for IRAs and for plans qualified under section 401 of the Code.

Merrill Lynch, Pierce, Fenner & Smith Inc. may not act as a custodian unless it undertakes to act only under custodial instruments which contain a provision to the effect that the grantor is to substitute another custodian upon notification by the Commissioner that such substitution is required because the applicant has failed to comply with the requirements of section 1.401-12(n) of the regulations, or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations.

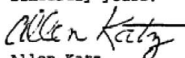
Merrill Lynch, Pierce, Fenner & Smith Inc. is required to notify the Commissioner of Internal Revenue, Attn: OP:ESP, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application required by section 1.401-12(n) of the regulations. Furthermore, the continued approval of its application to act as a custodian is contingent upon the continued satisfaction of the criteria set forth in section 1.401-12(n) of the regulations.

This letter constitutes a determination as to whether Merrill Lynch, Pierce, Fenner & Smith Inc. may act as a custodian for IRAs under section 408 of the Code and for plans qualified under section 401 and does not bear upon its capacity to act as a custodian under any other applicable state or federal law.

Merrill Lynch, Pierce, Fenner & Smith Inc.

The prior nonbank passive custodial approval letter issued January 28, 1977, to Merrill Lynch Pierce Fenner & Smith Inc. is revoked as of the date of this letter.

Sincerely yours,



Allen Katz  
Chief, Employee Plans  
Rulings Branch

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# Merrill Lynch Retirement Asset Savings Program Fact Sheet

- [1] This Fact Sheet describes the Retirement Asset Savings Program offered to certain sponsors and beneficiaries of retirement plan accounts at Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch").

## **ABOUT THE RETIREMENT ASSET SAVINGS PROGRAM**

- [2] The Retirement Asset Savings Program ("RASP") is a feature of retirement plan accounts for which Merrill Lynch is custodian (each a "Retirement Plan Account"). These include Individual Retirement Accounts, Roth Individual Retirement Accounts, Individual Retirement Rollover Accounts, Simplified Employee Pension, SIMPLE IRA, Coverdell Education Savings Accounts and BASIC™ Plan accounts.
- [3] The RASP feature makes available to you a money market deposit account ("Deposit Account"), for each Retirement Plan Account which is opened on your behalf by Merrill Lynch, acting as your agent, at one or more participating depository institutions, the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC"), an independent agency of the U.S. Government. Merrill Lynch is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill Lynch as your agent. Merrill Lynch has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping.
- [4] A minimum deposit of \$1 is required to open an account through RASP. However, no deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by a participating depository institution.

- [5] Each deposit into a Deposit Account is a direct obligation of the depository institution at which the Deposit Account is established and is not directly or indirectly an obligation of Merrill Lynch. Merrill Lynch does not guarantee in any way the financial condition of any institution at which you may establish accounts through RASP. Upon request, you will be provided with the publicly available summary financial information relating to participating institutions. Securities offered by Merrill Lynch are not backed or guaranteed by any bank nor are they insured by the FDIC.

- Deposits at each depository institution in which your funds are deposited through RASP are insured by the FDIC to a maximum amount of \$250,000 (including principal and accrued interest) for all qualifying retirement account deposits held in the same legal capacity, except for Coverdell Education Savings Accounts which are FDIC insured in the Trust Account category (Trust Account). Trust deposits are insured in an amount up to \$250,000 multiplied by the total number of eligible beneficiaries identified by each grantor, up to a maximum of five beneficiaries per grantor. The Trust Account category provides for a maximum amount of deposit insurance coverage of \$1,250,000 per grantor, per insured depository institution for trust deposits. Your federal deposit insurance protection takes effect as soon as a depository institution receives your deposit. Any deposits, including certificates of deposit ("CDs"), that you maintain in the same legal capacity as your Retirement Plan Account directly with a particular depository institution, through other Merrill Lynch accounts or through another intermediary would be aggregated with the deposits maintained in the Deposit Accounts at that institution for purposes of the FDIC insurance limit. Since there may be more than one depository institution at which you may establish a Deposit Account, you may have more than the Standard Maximum Deposit Insurance Amount in federal deposit insurance protection for funds deposited through RASP."
- [7] You are responsible for monitoring the total amount of deposits that you hold with one depository institution, in a single legal capacity,

including deposits maintained through RASP, deposits (including CDs) held through other Merrill Lynch accounts and deposits held directly with the depository institution.

### **How the RASP feature works**

- [8] Your money is remitted initially for deposit by Merrill Lynch, acting as your agent, into a Deposit Account at the primary depository institution. The primary depository institution is Bank of America, N.A. (BANA). The secondary depository institution is Bank of America California, N.A. (BA-CA) (and together with BANA, are the "Merrill Lynch Affiliated Banks," which will accept deposits once you exceed \$246,000 in the Deposit Account at the primary institution as described below).
- [9] From time to time, one or more of the participating depository institutions may be replaced with a new institution, including one that may not have been previously included. Also, new depository institutions may be added and the depository sequence changed. You will receive notification in advance of such movement, inclusion or change before any funds you have in a Deposit Account are moved to another institution. Notification may be by means of a letter, an entry on your Retirement Plan Account statement, or the delivery to you of a new listing of available depository institutions.
- [10] For each Retirement Plan Account, the following rules apply: Funds up to \$246,000 are remitted to the Deposit Account established for you at the primary depository institution, BANA. If the balance in your Deposit Account at BANA reaches \$246,000, then your funds are remitted for deposit in the same manner to a Deposit Account established for you at BA-CA, until the balance in your Deposit Account at BA-CA reaches \$246,000. If the balance in your Deposit Accounts at BA-CA reaches \$246,000, subsequent funds are deposited in your Deposit Account at BANA, even if the amounts then deposited in your Deposit Account at BANA exceed \$246,000. This may cause the amount deposited in BANA through RASP to exceed the Standard Maximum Deposit Insurance Amount. All deposits at an institution held in the same legal capacity are protected by federal insurance up to a maximum of the Standard Maximum Deposit Insurance Amount. Amounts on deposit at BANA or BA-CA held in the same legal capacity, including deposits maintained through RASP, in excess of the Standard Maximum Deposit Insurance Amount, will not be covered by federal deposit insurance.
- [11] **It is important for you to monitor the amounts of your total deposits with each participating depository institution, so that you will know the extent of federal deposit insurance available to you for such deposits (see the following section Additional Information on Federal Deposit Insurance).**
- [12] Generally, funds will be transferred to the next priority depository institution tuition, if any, in the priority sequence established. However, there may be exceptions if a depository institution is closed for the day, or if it reaches the aggregate deposit limit it will accept from Merrill Lynch clients. If a depository institution in which you have a Deposit Account chooses to no longer make its accounts available through RASP, funds in your Deposit Account at that institution will be transferred, after notification to you, to another participating depository institution."
- [13] Available free credit balances of \$1 or more will be automatically deposited in your Deposit Account on a daily basis, except for Saturdays, Sundays and legal holidays.
- Transfers and withdrawals**
- [14] Merrill Lynch, as your agent, will make withdrawals from your Deposit Accounts as necessary to satisfy any debits in the Retirement Plan Account. However, as required by federal regulations, each depository institution at which Deposit Accounts may be established reserves the right to require seven days prior notice before permitting a withdrawal out of an individual account.
- [15] If you have funds on deposit at both BANA and BA-CA, withdrawals will be made from your Deposit Accounts in the reverse of the order in which deposits are made to the Deposit Accounts.

- [16] Payment out of your account may be delayed when funds placed in an account on your behalf had as their original source a check, draft or similar instrument given to Merrill Lynch. Merrill Lynch may delay the deposit of funds into a Deposit Account until funds submitted to your Retirement Plan Account have cleared.
- [17] The Deposit Accounts established at the Merrill Lynch Affiliated Banks are not transferable.

### **Interest**

- [18] The rate paid for RASP will be established periodically as determined by the Merrill Lynch Affiliated Banks, and other participating depositories. For accounts established through RASP, the Merrill Lynch Affiliated Banks, and any other participating depositories, will set interest rates based on economic and business conditions. For RASP, interest rates will be tiered based upon your relationship with Merrill Lynch as determined by the value of assets in your eligible Retirement Plan Account(s), Deposit Account(s) and eligible accounts linked through the Merrill Lynch Statement Link service. For these tiered Deposit Accounts, deposits of clients in higher Tiers (as defined below) generally will receive higher interest rates than deposits of clients in lower Tiers. A Retirement Plan Account assigned to Tier 5 may receive a higher yield on bank deposits than a Retirement Plan Account with a lower tier assignment.
- [19] Your interest rate generally will correspond with your Tier as determined by the value of assets in your eligible Retirement Plan Account(s), Deposit Account(s) and accounts linked through the Merrill Lynch Statement Link service. For regulatory or other reasons, certain types of accounts that can be linked for statement delivery purposes cannot be counted for the purpose of determining your total eligible client assets for tier assignment. For more information on the Merrill Lynch Statement Link service, please refer to the description in this booklet. Certain Retirement Plan Accounts will be assigned a tier regardless of the value of assets. Retirement Plan

Accounts enrolled in "IA Programs" as defined below will be assigned Tier 5.

Retirement Plan Accounts

Tier 1 – Less than \$250,000

Tier 2 – \$250,000 to \$999,999

Tier 3 – \$1,000,000 to \$9,999,999

Tier 4 – \$10,000,000 or more

Tier 5 – IA Programs

"IA Program" means any of the following investment advisory programs offering fiduciary advice and guidance and other investment advisory services made available by or through Merrill Lynch and/or Merrill Account Advisors, its affiliate, registered with the Securities Exchange Commission: (1) the Merrill Lynch Investment Advisory Program; (2) the Merrill Lynch Strategic Portfolio Advisor Service; (3) the Merrill Lynch Managed Account Service; (4) the BlackRock Private Investors Service; (5) the Merrill Guided Investing Program (6) the Merrill Guided Investing with Advisor Program; and (7) the Merrill Edge Advisory Account program.

- [20] In general, Merrill Lynch will determine your Tier toward the end of each month (the "Valuation Date") for application the next statement month. The valuation procedure generally will work like this:

- Your Tier(s) will be based on Merrill Lynch's determination of the long market value of assets and Deposit Account balances in your eligible Retirement Plan, including other eligible accounts linked through the Merrill Lynch Statement Link service. Retirement Plan Accounts enrolled in IA Programs will be assigned Tier 5 regardless of the value of assets and Deposit Account balances.
- Your Tier(s) will not change until the next Valuation Date even if you open new accounts or link accounts.
- If you have accounts enrolled in the Merrill Lynch Statement Link service on the Valuation Date, then the valuation will reflect the dollar value of assets in those linked accounts (except excluded accounts) to determine your Tier. Assets of eligible Retirement Plan accounts enrolled in IA Programs will be included in the valuation.

- If your accounts are not linked on the Valuation Date, then the assets in each Retirement Plan Account will be valued individually to determine your Tier for that account.
- New Retirement Plan Accounts are not valued until the next applicable Valuation Date. In the first month, deposit balances in all new accounts will receive the interest rate that corresponds to the Tier that ranges from \$250,000 to \$999,999. This Tier may be adjusted, as appropriate, on the next Valuation Date.

[21] Without notice, interest rates may change daily, the interest rate differential between Tiers may change, and Tiers may also change. To learn the annual percentage yield, call your Merrill Lynch advisor or the Merrill Advisory Center. You may also visit [MyMerrill.com](http://MyMerrill.com) (see the “Deposit Account & Money Fund Rates” link at the bottom of the page).

[22] The rates of return paid with respect to the Deposit Accounts may be higher or lower than the rates of return available to other depositors of the participating depository institution for comparable accounts. Of course, you should compare the terms, rates of return, required account minimums, charges and other features of a Deposit Account with other accounts and alternative investments before deciding to maintain a Deposit Account.

[23] Interest will accrue on the balances in a Deposit Account from the day funds are deposited with a participating depository institution to (but not including) the date of withdrawal, and will be compounded daily and credited monthly.

### **Client statements**

[24] All of your transactions will be confirmed and will appear in chronological sequence on your Merrill Lynch Retirement Plan Account statement. The statement will show the total of your opening and closing Deposit Account balances, along with a breakdown of your Deposit Account balance at each individual depository institution (if more than one depository institution is participating in the RASP feature and your funds are deposited in more than one depository institution). The

statement will also show interest earned for the statement period.

### **Your relationship with Merrill Lynch**

[25] Merrill Lynch is acting as agent and messenger for its Retirement Plan Account clients who establish accounts through RASP. The separate accounts established by Merrill Lynch on its records on behalf of its Retirement Plan Account clients will be evidenced by a book entry on the account record of the participating depository institution. No evidence of ownership, such as a passbook or certificate, will be issued to the Retirement Plan Account clients who establish accounts through RASP, nor will any depository institution be given the names of Retirement Plan Account clients. In addition, all transactions are effected through Merrill Lynch, as agent, and not directly between a client and the participating depository institution.

[26] You may obtain information about your Deposit Accounts, including the names of each depository institution in which your funds are currently being deposited, balances, the current interest rate and the names and priority of the other institutions at which Deposit Accounts are currently available, by calling your Merrill Lynch advisor.

[27] Each participating depository institution, in its sole discretion and without notice, may change the conditions of or terminate a client’s Deposit Account. If Merrill Lynch does not wish to continue to act as your agent or custodian with respect to your Deposit Account(s), you may deal directly with each depository institution (subject to its rules in effect at that time) with respect to maintaining such an account.

[28] Similarly, if you decide that you no longer wish to have Merrill Lynch act as your agent and messenger with respect to the Deposit Account established for you at a depository institution, you may establish a direct depository relationship with the depository institution (subject to its rules in effect at that time) with respect to maintaining such an account.

- [29] This may result in the severing of your Deposit Account at that depository institution account from the Retirement Plan Account service.

### **Conflicts of interest**

- [30] There are conflicts of interest relating to the Sweep Program (including RASP). If you hold cash balances in your account, both Merrill Lynch and the Merrill Lynch Affiliated Banks benefit financially when your cash is “swept” to and held in deposit with them under the Sweep Program. Merrill Lynch receives compensation from the Merrill Lynch Affiliated Banks for its services relating to the Sweep Program.

- [31] Merrill Lynch receives:

- Up to \$100 per year from BANA and/or BA-CA for each account that sweeps to the Merrill Lynch Bank Deposit Program and the Merrill Lynch Direct Deposit Program
- Up to \$85 per year for each account that sweeps to the Retirement Asset Savings Program
- Up to \$100 per year from MLBTC for each account that sweeps to the International Bank Variable Rate Deposit Facility
- A fee of up to 2% per annum of the daily balances from the participating banks in the ISA Program

This compensation is subject to change from time to time, and Merrill Lynch may waive all or part of it. Financial advisors are compensated based on their clients’ total deposits held in Merrill Lynch Affiliated Banks (excludes RASP), in participating banks in the ISA Program and in sweep money market funds. In addition, they can receive a compensation award based on achieving a number of strategic objectives, including, among other activities, the growth in their clients’ balances in bank sweep deposit accounts and sweep money market funds. Together, these compensation incentives create a conflict of interest.

The Merrill Lynch Affiliated Banks benefit financially from their use of the deposits. Through the Sweep Program, they receive a stable, cost-effective source of funding.

They use bank deposits to fund current and new lending, investment and other business activities. Their participation in the Sweep Program increases their respective deposits and overall profits. Bank profitability is determined in large part by the “spread” they earn on the deposits — the difference between the interest paid and other costs incurred by them on bank deposits (including payments to Merrill Lynch), on the one hand, and the interest or other income earned on their loans, investments and other assets, which may be funded in part by bank deposits, on the other hand. The greater the amount of cash balances maintained in deposit accounts with the Merrill Lynch Affiliated Banks (which could be as a result of a recommendation from your financial advisor) and the lower the interest rate paid on the related bank deposit, the more the Merrill Lynch Affiliated Banks benefit.

The deposits will bear a rate of interest that has been established for, and in light of the features of, the Sweep Program. The rate of interest for such deposit accounts is periodically set and reset by the Merrill Lynch Affiliated Banks in their discretion. Accounts that enroll in IA Programs (as defined in section 19) receive the highest tier rate available under RASP.

The interest rate you earn in a bank deposit account affiliated with the Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives.

### **Additional information**

- [32] You will always know where your money is by referring to the information in the section titled Your relationship with Merrill Lynch, previous page, in conjunction with your Retirement Plan Account statement. Additionally, by calling your Merrill Lynch advisor or Merrill Edge representative, you can confirm the name of the depository institution that has accepted your most recent deposit. Upon request, you will be provided with the publicly available information that Merrill Lynch has relating to the participating depository institutions.



## **ADDITIONAL INFORMATION ON FEDERAL DEPOSIT INSURANCE**

- [33] Merrill Lynch is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. In the event that federal deposit insurance payments become necessary, the FDIC is required to pay principal plus unpaid and accrued interest to the date of the closing of the relevant depository institution, as prescribed by law and applicable regulations. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill Lynch as your agent. Merrill Lynch has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping. Since there is no specific time period during which the FDIC must make available such insurance payments, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to Merrill Lynch before any insurance payouts are released to you. For example, you may be required to furnish affidavits and indemnities regarding the payout. Merrill Lynch will not be obligated to you for amounts not covered by deposit insurance and will not be obligated to you in advance of payment from the FDIC.
- [34] Since deposit insurance coverage is based on a customer's funds on deposit in any one depository institution, coverage can change if two or more institutions where you have funds on deposit merge. In this case, deposits maintained through RASP continue to be separately insured for six months from the date that the merger takes effect. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same legal ownership category for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

## **Special rules for Retirement Plan Accounts**

- [35] You may have interests in various retirement and employee benefit plans and accounts that have deposits in a depository institution. The amount of deposit insurance you will be entitled to will vary depending on the type of plan or account and on whether deposits held by the plan or account will be treated separately or aggregated with deposits in the same depository institution held by other plans or accounts. It is therefore important to understand the type of plan or account holding the deposit. The following sections entitled Pass-through deposit insurance for retirement and employee benefit plan deposits and Aggregation of Retirement and Employee Benefit Plans and Accounts generally discuss the rules that apply to deposits of retirement and employee benefits plans and accounts.
- [36] On February 8, 2006, the President of the United States signed the Deficit Reduction Act of 2005 (the "Act"), which contains provisions affecting federal deposit insurance coverage. The principal amount of your deposits held in Qualified Retirement Accounts (as defined below), plus accrued interest, together with any other deposits held at the issuing depository institution through such Qualified Retirement Accounts, are protected by federal deposit insurance and backed by the U.S. government to a maximum amount of \$250,000 for the total amount of all such deposits held by you in the same ownership capacity at the depository institution. Retirement accounts that qualify for this increased coverage are: (i) any individual retirement accounts ("IRAs") described in section 408(a) of the Internal Revenue Code of 1986, as amended ("Code"); (ii) any eligible deferred compensation plan described in section 457 of the Code; (iii) any individual account plan described in section 3(34) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), to the extent the participants and beneficiaries under such plans have the right to direct the investment assets held in the accounts; and (iv) any plan described in section 401(d) of the Code, to the extent the participants and beneficiaries

under such plans have the right to direct the investment assets held in the accounts (each, a “Qualified Retirement Account”).

### **Pass-through deposit insurance for retirement and employee benefit plan deposits**

[37] Subject to the limitations discussed below, under FDIC regulations, an individual’s non-contingent interest in the deposits of one depository institution held by certain types of employee benefit plans are eligible for insurance on a “pass-through” basis up to the Standard Maximum Deposit Insurance Amount for that type of plan. This means that, instead of an employee benefit plan’s deposits at one depository institution being entitled to only the applicable Standard Maximum Deposit Insurance Amount in total per depository institution, each participant in the employee benefit plan is entitled to insurance of his or her interest in the employee benefit plan’s deposits of up to the applicable Standard Maximum Deposit Insurance Amount per institution (subject to the aggregation of the participant’s interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is in addition to the deposit insurance allowed on other deposits held by the individual at the issuing institution. However, pass-through insurance is aggregated across certain types of accounts (see the following section, Aggregation of Retirement and Employee Benefit Plans and Accounts).

[38] A deposit held by an employee benefit plan that is eligible for pass-through insurance is **not** insured for an amount equal to the number of plan participants multiplied by the applicable Standard Maximum Deposit Insurance Amount. For example, assume an employee benefit plan that is a Qualified Retirement Account (i.e., a plan that is eligible for deposit insurance coverage up to \$250,000 per qualified beneficiary) owns \$500,000 in deposits at one institution and the plan has two participants, one with a vested non-contingent interest of \$350,000 and one with a vested non-

contingent interest of \$150,000. In this case, the individual with the \$350,000 interest would be insured up to the \$250,000 limit, and the individual with the \$150,000 interest would be insured up to the full value of such interest.

[39] Moreover, the contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee defined benefit plan are **not** insured on a pass-through basis. Any interests of an employee in an employee benefit plan deposit which are not capable of evaluation in accordance with FDIC rules (i.e., contingent interests) will be aggregated with the contingent interest of other participants and insured up to the applicable Standard Maximum Deposit Insurance Amount. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to the applicable Standard Maximum Deposit Insurance Amount separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

## **AGGREGATION OF RETIREMENT AND EMPLOYEE BENEFIT PLANS AND ACCOUNTS**

### **Self-directed retirement accounts**

[40] The principal amount of deposits held in Qualified Retirement Accounts described above, plus accrued but unpaid interest, if any, are protected by FDIC insurance up to a maximum of \$250,000 for all such deposits held by you at the issuing depository institution together with other accounts held in the same capacity. The FDIC sometimes generically refers to Qualified Retirement Accounts as “self-directed retirement accounts.” Supplementary FDIC materials indicate that Roth IRAs, self-directed Keogh Accounts, Simplified Employee Pension plans, and self-directed defined contribution plans are intended to be included within this group of Qualified Retirement Accounts. Accordingly, all accounts that participate in RASP, other than Coverdell Education Savings Accounts, should qualify for \$250,000 of FDIC insurance in the aggregate.

## Other employee benefit plans

- [41] Any employee benefit plan, as defined in Section 3(3) of ERISA, described in Section 401(d) of the Code, or eligible deferred compensation plan under section 457 of the Code, that does not constitute a Qualified Retirement Account—for example, certain employer-sponsored profit sharing plans—can still satisfy the requirements for pass-through insurance with respect to non-contingent interest of individual plan participants, provided that FDIC requirements for recordkeeping and account titling are met (“Non-Qualifying Benefit Plans”). For Non-Qualifying Benefit Plans, the Standard Maximum Deposit Insurance Amount (“SMDIA”) applies. Under FDIC regulations, an individual’s interests in Non-Qualifying Benefit Plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits at the same institution will be insured up to the SMDIA in the aggregate, separate from other accounts held at the same depository institution in other ownership capacities.
- [42] If you have questions about the FDIC insurance coverage of your account, please contact your Merrill Lynch advisor or visit the FDIC website at [www.fdic.gov](http://www.fdic.gov) for more information.
- [43] FDIC regulations and interpretations governing the availability of federal deposit insurance are subject to change from time to time. Neither BANA nor BA-CA or any other depository institution participating in RASP assumes any responsibility with respect to any such changes.

L-SHEET-01-16-8284 | 01-2025

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# Merrill Lynch Statement Link Service

- [1] You may elect to enroll in the Merrill Lynch Statement Link service ("Statement Link service"). This service allows certain types of accounts to be "linked" for various purposes, including (1) to receive statements for all linked accounts in a single package and (2) to establish your Tier (defined on the previous pages) for the Retirement Asset Savings Program ("RASAP").

## **Linking accounts for statement delivery purposes**

- [2] The Statement Link service allows a Retirement Plan Account client (the "Primary Account client") to link other Merrill Lynch accounts, usually in the same household or related to a single business, so that the monthly statements for the linked accounts are packaged together and mailed by us to the Primary Account client's address, together with a summary page that combines account information from all linked accounts. Statements will continue to be sent to clients of the linked accounts as required. The assets of the linked accounts are not commingled and all of the clients retain control over their individual accounts. The individual clients also remain responsible for verifying the accuracy of their individual statements, for reading any notices that are mailed with the linked statements and for directing the activity in their individual accounts.

## **Important considerations for individual retirement accounts**

- [3] You generally may link your Individual Retirement Account (IRA), Individual Retirement Rollover Account (IRRA), Roth Individual Retirement Account (Roth IRA), Simplified Employee Pension (SEP), SIMPLE Retirement Account (SRA), and Coverdell Education Savings Account (ESA) with your other accounts to achieve a higher Tier. Except for a SEP/IRA or a SRA/IRA, you cannot link an IRA which accepts employer contributions.
- [4] You also may link your IRA with IRAs (or other accounts) of immediate family members and their spouses to achieve a higher Tier. If you want to link IRAs with accounts of other persons to achieve a higher Tier, you should consult your legal or tax advisor. For more information on enrolling in this service, please call your financial advisor or 1.800.MERRILL.

L-04-24




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Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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FACTS	WHAT DOES BANK OF AMERICA DO WITH YOUR PERSONAL INFORMATION?		BANK OF AMERICA 
Why?	Financial companies choose how they share your personal information. Under federal law, that means personally identifiable information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"><li>• Social Security number and employment information</li><li>• account balances, transaction history and credit information</li><li>• assets and investment experience</li></ul>		
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Bank of America chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Bank of America share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes — with service providers we use to offer our products and services to you (please see below to limit the ways we contact you)		Yes	No
For joint marketing with other financial companies		Yes	No
For our affiliates’ everyday business purposes — information about your transactions and experiences		Yes	No
For our affiliates’ everyday business purposes — information about your creditworthiness		Yes	Yes
For nonaffiliates to market to you — for all credit card accounts		Yes	Yes
For nonaffiliates to market to you — for accounts and services endorsed by another organization (e.g., debit card co-branded with a baseball team) “Sponsored Accounts”		Yes	Yes
For nonaffiliates to market to you — for accounts other than credit card accounts and Sponsored Accounts, such as insurance, investments, deposit and lending		No	We don’t share
To limit our sharing	<ul style="list-style-type: none"><li>• Visit us online: <a href="https://bankofamerica.com/privacy">bankofamerica.com/privacy</a></li><li>• Call 888.341.5000 — our menu will prompt you through your choices</li><li>• Talk to your assigned financial advisor</li></ul> <p><b>Please note:</b> If you are a <b>new</b> customer, we can begin sharing your information 45 days from the date we sent this notice. When you are <b>no longer</b> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>		
To limit direct marketing contact	<ul style="list-style-type: none"><li>• Visit us online: <a href="https://bankofamerica.com/privacy">bankofamerica.com/privacy</a></li><li>• Call 888.341.5000 — our menu will prompt you through your choices</li><li>• Talk to your assigned financial advisor</li></ul> <p><b>Please note:</b> Direct marketing is email, postal mail and telephone marketing. Your telephone and postal mail opt-out choices will last for five years, subject to applicable law. Even if you limit direct marketing, we may still contact you to service your account or as otherwise allowed by law.</p>		
Questions?	Call 888.341.5000 or go to <a href="https://bankofamerica.com/privacy">bankofamerica.com/privacy</a>		

## Who we are

<b>Who is providing this notice?</b>	Bank of America U.S. legal entities that utilize the names: Bank of America, Banc of America, Private Bank or Merrill, as well as the entities listed in the <i>Bank of America U.S. legal entities</i> section.
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## What we do

<b>How does Bank of America protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <a href="http://bankofamerica.com/security">bankofamerica.com/security</a> or <a href="http://ml.com/security">ml.com/security</a> .
<b>How does Bank of America collect my personal information?</b>	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• open an account or perform transactions</li> <li>• apply for a loan or use your credit or debit card</li> <li>• seek advice about your investments</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit some but not all sharing related to: <ul style="list-style-type: none"> <li>• affiliates' everyday business purposes — information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• nonaffiliates to market to you</li> </ul> State laws and individual Bank of America companies may give you more rights to limit sharing. See <i>Other important information</i> section for your rights under state law.
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to you alone unless you tell us otherwise. However, your choice to limit sharing with nonaffiliates to market to you for credit card accounts or Sponsored Accounts will apply to all joint account holders. If you have more than one credit card account or Sponsored Account and you choose to opt out, you will need to do so for each account.

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Our affiliates include companies that utilize the names Bank of America, Banc of America, Private Bank or Merrill.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Nonaffiliates we share with can include financial services companies such as insurance agencies or mortgage brokers, nonfinancial companies such as retailers, travel companies and membership groups; and other companies such as nonprofit groups.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include financial services companies.</li> </ul>

## Other important information

**Do Not Call Policy.** This notice is the Bank of America Do Not Call Policy under the Telephone Consumer Protection Act. We do not solicit via telephone numbers listed on the state or federal Do Not Call lists, unless the law allows. Bank of America employees receive training on how to document and process telephone marketing choices. Consumers who ask not to receive telephone solicitations from Bank of America will be placed on the Bank of America Do Not Call list and will not be called in future campaigns, including those of Bank of America affiliates.

**Call Monitoring and Recording.** If you communicate with us by telephone, we may monitor or record the call.

**For Nevada residents only.** We are providing you this notice under state law. You may be placed on our internal Do Not Call List by following the directions in the *To limit direct marketing contact* section. Nevada law requires we provide the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington Avenue, Suite 3900, Las Vegas, NV 89101; Phone number: 702.486.3132; email: [aginfo@ag.nv.gov](mailto:aginfo@ag.nv.gov); Bank of America, P.O. Box 25118, Tampa, FL 33622-5118; Phone number: 888.341.5000; Click on "Contact Us" at [bankofamerica.com/privacy](http://bankofamerica.com/privacy).

**Vermont:** Under Vermont law, we will not share information we collect about Vermont residents with companies outside of our corporate family, unless the law allows. For example, we may share information with your consent, to service your accounts or under joint marketing agreements with other financial institutions with which we have joint marketing agreements. We will not share information about your creditworthiness within our corporate family except with your consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

**California:** Under California law, we will not share information we collect about you with companies outside of Bank of America, unless the law allows. For example, we may share information with your consent, to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing among our companies to the extent required by California law.

**For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR and VA only.** The term “Information” in this part means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience or auditors as the law allows or requires. We may give your Information to insurance support companies that may keep it or give it to others. We may share medical Information so we can learn if you qualify for coverage, process claims or prevent fraud, or if you say we can. To see your Information, write Insurance Operations, FL9-805-03-12, 4800 Deer Lake Drive East, Jacksonville, FL 32246. You must state your full name, address, the insurance company, policy number (if relevant) and the Information you want. We will tell you what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail you a copy for a fee. If you think any Information is wrong, you must write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

**Bank of America U.S. legal entities**

Bank of America U.S. legal entities that utilize the names: Bank of America, Banc of America, Private Bank or Merrill, and the entity Managed Account Advisors LLC.



# Federally Required Affiliate Marketing Notice

## YOUR CHOICE TO LIMIT MARKETING

- The Bank of America companies listed in this document are providing this notice.
- Federal law gives you the right to limit some but not all marketing from all the Bank of America affiliated companies. Federal law also requires us to give you this notice to tell you about your choice to limit marketing from all the Bank of America affiliated companies.
- You may limit all the Bank of America affiliated companies, such as the banking, loan, credit card, insurance and securities companies, from marketing their products or services to you based upon your personal information that they receive from other Bank of America companies. This information includes your income, your account history and your credit score.
- Your choice to limit marketing offers from all the Bank of America affiliated companies will apply for at least 5 years from when you tell us your choice. Before your choice to limit marketing expires, you will receive a renewal notice that will allow you to continue to limit marketing offers from all the Bank of America affiliated companies for at least another 5 years.
- You may tell us your choice to limit marketing offers, and you may tell us the choices for other customers who are joint account holders with you.
- This limitation will not apply in certain circumstances, such as when you have an account or service relationship with the Bank of America company that is marketing to you.
- For individuals with business purpose accounts, this limitation will only apply to marketing to individuals and not marketing to a business.

**To limit marketing offers, contact us at 888.341.5000.**

### **Bank of America Companies:**

This notice applies to all Bank of America U.S. legal entities that utilize the names:

Bank of America  
Banc of America  
Private Bank  
Merrill

These entities include banks and trust companies; credit card companies; brokerage and investment companies; and insurance and securities companies. In addition, this notice applies to the following Bank of America U.S. companies:

Managed Account Advisors LLC  
BAL Investment & Advisory, Inc.