

**PROTOTYPE
SIMPLE
RETIREMENT
PLAN**

**Savings Incentive Match Plan for Employees
In IRA Form under Section 408(p) of the Internal Revenue Code**

**TO ESTABLISH A HILLTOP SECURITIES INC.
INDIVIDUAL RETIREMENT ACCOUNT (SIMPLE IRA)**

- Complete and sign all portions of the SIMPLE IRA Adoption Agreement and account application. When completing the beneficiary information please make sure to include social security numbers.
- Submit the completed SIMPLE IRA Adoption Agreement to your Financial Professional.
- Enclose a check made payable to Hilltop Securities Inc. for the initial SIMPLE IRA contribution, if applicable. Make sure all checks include the tax year information for the contribution and the account number.
- If you are transferring an existing SIMPLE IRA to Hilltop Securities Inc. (Hilltop Securities), complete and sign an Account Transfer Form. When submitting the form to your Financial Professional, include a copy of the most recent account statement.
- If you are rolling funds from another SIMPLE, complete and sign a Rollover Certification Form.
- Contact your Financial Professional for any other forms that may be required to establish your SIMPLE IRA or with any other questions or concerns that you may have.
- **Unrelated Business Income Tax:** If the Depositor directs investments of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Depositor to so advise the Custodian and to provide the Custodian with all the information necessary to prepare and file any required returns or reports for the account. As the Custodian may deem necessary, and at the Depositor's expense, the Custodian may request a taxpayer identification number for the account, file any returns, reports, and applications for extension, and pay any taxes or estimated taxes owed with respect to the account. The Custodian may retain suitable accountants, attorneys, or other agents to assist it in performing such responsibilities.

**THIS CUSTODIAL FEE INFORMATION MAY ONLY BE USED
WITH HILLTOP SECURITIES IRA ACCOUNTS**

CUSTODIAL FEES FOR INDIVIDUAL RETIREMENT ACCOUNTS

- | | |
|----------------------------------|--|
| • Initial Set Up Acceptance Fee | No Charge |
| • Annual Maintenance Fee | See your Customer Information Brochure |
| • Spousal Annual Maintenance Fee | See your Customer Information Brochure |
| • Transfer Fee | See your Customer Information Brochure |
| • Termination Fee | \$50.00 |

*Hilltop Securities Inc. reserves the right to change fees upon notification to the account holder.

Revised (5/1/2020)

PROTOTYPE SIMPLE RETIREMENT PLAN AGREEMENT

ARTICLE I Adoption and Purpose of Plan

1.01 **Adoption of Plan:** By completing and signing the Adoption Agreement, the Employer adopts the Sponsoring Organization's Prototype SIMPLE Retirement Plan. This SIMPLE Plan Agreement must be used with an Internal Revenue Service Model IRA, Form 5305-S or 5305-SA, or a Service approved Prototype SIMPLE IRA.

1.02 **Purpose:**

- (a) The purpose of this Plan is to provide benefits for the individuals who are eligible to participate hereunder. It is intended that this Plan be for the exclusive benefit of the Employer's Employees, and that the plan qualify under section 408(p) of the Code.
- (b) The Employer agrees to permit Elective Deferrals to be made in each Plan Year to the SIMPLE individual retirement account or SIMPLE individual retirement annuity (IRA) as described in section 408(a) or (b), respectively, of the Code, established by or on behalf of each of the Employer's Employees who are eligible to participate in the SIMPLE Retirement Plan. SIMPLE contributions must be contributed to a separate SIMPLE IRA plan.

1.03 **Limitation:**

- (a) The Employer cannot contribute to this SIMPLE IRA Plan for any calendar year if the Employer maintains another qualified plan with respect to which contributions are made, or benefits are accrued, for any Employee's service for any plan year beginning or ending in that calendar year.

For this purpose, a qualified plan is defined in section 219(g)(5) of the Code as: a plan described in section 401(a) that includes a trust exempt from tax under section 501(a); an annuity plan described in section 403(a); a plan established for its employees by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing (but not an eligible deferred compensation plan within the meaning of section 457(b)); a tax-sheltered annuity plan described in section 403(b); a simplified employee pension (SEP) plan described in section 408(k); and another SIMPLE IRA Plan described in section 408(p).

If the failure to meet the one-plan requirement is due to an acquisition or similar transaction, the Employer is treated as meeting the one-plan requirement through the end of the following calendar year (through the end of the following 2 calendar years, if permitted under section 408(p)) provided that, during this period, Employees who would be employed by another employer involved in the transaction had the transaction not occurred are not eligible to participate in this Plan.

The one-plan requirement is not violated if the Employer maintains another qualified plan that limits participation to Employees covered under a collective bargaining agreement described in section 410(b)(3)(A) of the Code and eligibility to participate in the SIMPLE IRA Plan is limited to other Employees.

- (b) If the Employer amends this plan other than by making an election permitted in the Adoption Agreement, the Employer will no longer participate in the Sponsoring Organization's Prototype SIMPLE Plan, the Employer will be considered to have an individually designed SIMPLE Plan, and the Employer may no longer rely on the opinion letter received in connection with this Prototype SIMPLE Plan. Any amendment to this SIMPLE IRA Plan can become effective only at the beginning of a calendar year and must conform to the content of the plan notice for the calendar year.
- (c) This Plan may only be adopted by an Eligible Employer.

ARTICLE II Eligibility and Participation

2.01 **Eligible Employees:** All Employees of the Employer shall be eligible to participate in this Plan except for Excludible Employees as defined under section 2.02 of this Plan.

2.02 **Excludible Employees:** If the Employer elects in the Adoption Agreement, the following Employees shall be excluded from eligibility:

- (a) Employees included in a unit of employees covered by a collective bargaining agreement between employee representatives and the Employer, provided that there is evidence that retirement benefits were the subject of good faith bargaining between such parties, unless such agreement provides that some or all of such covered employees are to be covered by this Plan. For purposes of this paragraph, 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.
- (b) Non-resident alien employees who receive no earned income from the Employer which constitutes income from sources within the United States.
- (c) Employees who are not reasonably expected to earn \$5,000 of compensation from the Employer during the Plan Year for which the contribution is being made if so indicated in the Adoption Agreement.

2.03 **Participation:**

- (a) Each Eligible Employee will be eligible to become a Participant after satisfying the requirements specified in Item 9 of the Adoption Agreement.
- (b) Each Eligible Employee shall establish an IRA in order to receive Employer contributions under this Agreement, and any Employer contributions shall be made directly to such IRA plan. Unless otherwise elected in the Adoption Agreement, such IRA shall be established with the Trustee of the Participant's choice.
- (c) If a Participant fails to timely establish or to maintain an IRA into which SIMPLE contributions may be made on such Participant's behalf, the Employer may execute any necessary documents to establish an IRA with the Trustee into which such contributions shall be made on behalf of the Participant.

2.04 **Plan Notice:**

- (a) The Employer shall notify each Eligible Employee immediately before each 60 -day election period of the Employee's opportunity to make an election. The notice shall include a copy of the summary description as described in section 408(1)(2)(B) of the Code. (section 6693(c)(1) provides that if an employer fails to provide one or more notices, such employer may be subject to a penalty of \$50 per day for each day that the failure to provide notice occurs.)
- (b) Any amendment to this SIMPLE IRA Plan can become effective only at the beginning of a calendar year and must conform to the content of the Plan notice for the calendar year.

ARTICLE III
Written Allocation Formula

- 3.01 **Amount of Contribution:** The Employer agrees to contribute on behalf of each Eligible Employee for the Plan Year an amount determined under one of the written allocation formulas specified in the Adoption Agreement.
- 3.02 **Uniform Relationship to Compensation:** All Nonelective Employer contributions to this Plan shall bear a uniform relationship to the total Compensation of each Participant not to exceed the Compensation limit described in section 401(a)(17) of the Code, as adjusted for the cost of living.
- 3.03 **Limitation on Employer Contributions:** The maximum employer contribution which may be made for any one Plan Year with respect to any Participant and allocated to each Participant's IRA is:
- (a) **Elective Deferrals** - Each Eligible Employee may elect to have salary deferral payments made under this SIMPLE Plan, not to exceed the lesser of the percentage of compensation stated in the Deferral Form or the dollar amount specified in section 4.01(c) of this Plan.
 - (b) **Employer Matching Contributions:**
 - (i) Unless the Employer elects Section 3.03(c), the Employer is required to make a Matching Contribution equal to the elective deferral by such Employee, but not in excess of 3% of such Participant's Compensation, not to exceed the dollar amount specified in section 4.01(c) of this Plan.
 - (ii) The Employer may elect a lesser percentage (not less than 1%) for any year if:
 - (A) the Employer notifies all Eligible Employees within a reasonable time before the Election Period; and
 - (B) Employer Matching Contributions are not less than 3% for more than 2 of the calendar years in the 5 year period ending with the current calendar year for which the reduction is effective.
 - (iii) Employers who have never maintained a SIMPLE plan or make nonelective contributions shall be treated as if the level of Employer Matching Contributions was at 3% of compensation for the prior plan year.
 - (c) **Employer Nonelective Contributions** - In lieu of Matching Contributions described in section 3.03(b), an employer may elect to make a 2% Nonelective Contribution for each Employee who is eligible to participate in the SIMPLE Plan. In order to elect such Nonelective Contribution, the Employer must notify Eligible Employees of such election within a reasonable time before the Election Period.
- 3.04 **Deductibility of Employer Contributions:** Contributions under this SIMPLE Retirement Plan are deductible by the Employer for the taxable year with or within which the Plan Year of the SIMPLE Retirement Plan ends. Contributions made for a particular taxable year and contributed by the due date of the Employer's income tax return, including extensions, are deemed made in that taxable year.
- 3.05 **Vesting Requirements:** An Employee's right to any contribution made to a SIMPLE IRA shall be 100% immediately vested and non-forfeitable at all times.

ARTICLE IV
Elective Deferral Rules

- 4.01 **Elective Deferrals**
- (a) Allocation of Elective Deferrals. The Employer shall contribute and allocate to each Employee's IRA an amount equal to the amount of the Employee's Elective Deferrals. Elective Deferrals will be paid by the Employer to the Employee's IRA trustee, custodian, or insurance company (in the case of an individual retirement annuity contract) or an IRA established on behalf of an Employee by the Employer.
 - (b) Salary Reduction Agreement Option. An Employee may elect to have Elective Deferrals made under this SIMPLE through either single-sum or continuing contributions, or both, pursuant to a salary reduction agreement.
 - (c) Amount of Elective Deferrals. An Eligible Employee may elect to have his or her Compensation reduced by a percentage or amount per pay period, or for a specified pay period or periods, as designated in writing to the Employer. An Eligible Employee may elect to have his or her Compensation reduced by a percentage or a fixed dollar amount. The salary reduction election shall be in writing and delivered to the Employer. The total amount of the reduction in the Eligible Employee's Compensation cannot exceed \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004, and \$10,000 for 2005 and later years. After 2005, the maximum amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under section 408(p)(2)(E) of the Code. Such adjustments will be in multiples of \$500.
 - (d) An Eligible Employee who would attain age 50 or over by the end of the year can elect to have his or her Compensation reduced by an additional amount of \$500 for 2002, \$1,000 for 2003, \$1,500 for 2004, \$2,000 for 2005, and \$2,500 for 2006 and later years. After 2006, the maximum additional amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under section 414(v)(2)(C) of the Code. Such adjustments will be in multiples of \$500.
 - (e) Timing of Elective Deferrals. No deferral election may be based on Compensation an Employee received, or had a right to receive, before execution of the deferral election. Notwithstanding the preceding sentence, an Employee may use Compensation received during a Plan Year prior to executing a deferral election as a basis for determining their Elective Deferral amount, but not as a source of their Elective Deferrals.
 - (f) Under no circumstances may an Employee's Elective Deferrals in any calendar year exceed the lesser of the percent specified in the Deferral Form of his or her Compensation, or the dollar amount specified in section 4.01(c) of this Plan.
- 4.02 **Timing of Elective Deferrals:** The Employer must make a salary reduction contribution to the SIMPLE IRA established for each Eligible Employee under this SIMPLE IRA Plan as of the earliest date on which the contributions for an Eligible Employee can reasonably be segregated from the Employer's general assets, but in no event later than 30 days after the end of the month in which the contribution is withheld from the Employee's pay.

The Employer must make the matching or nonelective contribution to the SIMPLE IRA established for each Eligible Employee under this SIMPLE IRA Plan no later than the due date for filing the Employer's federal income tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contribution is made.

ARTICLE V
Glossary of Plan Terms

- 5.01 **Adoption Agreement:** The document executed by the Employer through which it adopts the Plan and agrees to be bound by all terms and conditions of the Plan.
- 5.02 **Code:** The Internal Revenue Code of 1986 and the regulations issued thereunder as heretofore or hereafter amended.
- 5.03 **Compensation:** Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan as defined under section 6051(a)(3) and (8) of the Code. For any Self-Employed individual covered under the plan, Compensation will mean Earned Income. Compensation shall include only that compensation which is actually paid or made available to the Participant during the year. Compensation shall 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 sections 408(p), 401(k), 408(d)(6), 403(b), and compensation from the Employer deferred under a section 457 plan required to be reported by the Employer on Form W-2 (as described under section 6051(a)(8)). Compensation does not include any amounts deferred under a section 125 plan of the Code.

The annual Compensation of each Participant taken into account under the Plan for purposes only of the Employer Nonelective Contributions for any year shall not exceed the Compensation limit described in section 401(a)(17) of the Code as adjusted by the Secretary of the Treasury for increases in the cost of living in accordance with section 401(a)(17)(B). Such adjustments will be in multiples of \$5,000. (The Compensation limit for 2002 is \$200,000.)

- 5.04 **Elective Deferrals:** Any Employer contribution made under this SIMPLE Plan to an Employee's IRA at the election of the Participant, in lieu of cash compensation, and shall include contributions made pursuant to a salary reduction agreement or other deferral mechanism.
- 5.05 **Earned Income:** Net earnings from self-employment determined under section 1402(a) of the Code without regard to section 1402(c)(6), prior to subtracting any contributions made pursuant to this plan on behalf of the individual.
- 5.06 **Election Period:**
- (a) An Employee who is an Eligible Employee for a particular calendar year must be permitted to make or modify a salary reduction election during the 60-day period immediately preceding the calendar year, effective as soon as practical after receipt by the Employer (or, if later, the date specified by the Employee in the salary reduction agreement) but not earlier than the first pay period beginning in the calendar year. In the case of an Employee who becomes an Eligible Employee other than at the beginning of a calendar year because 1) this Plan does not impose a prior-year-compensation requirement, 2) the Employee satisfied this Plan's prior-year-compensation requirement during a prior period of employment with the Employer, or 3) this Plan is first effective after the beginning of a calendar year, the Eligible Employee must be permitted to make or modify a salary reduction election during the 60-day period that begins on the day plan notice is provided to the Employee and that includes the day the Employee becomes an Eligible Employee or the day before. In this case, the salary reduction election will become effective as soon as practical after receipt by the Employer (or, if later, the date specified by the Employee in the salary reduction agreement) but any election made by the Eligible Employee may be modified prospectively any time during the 60-day period.
 - (b) An Eligible Employee must be permitted to terminate a salary reduction election at any time. The termination request must be in writing and become effective as soon as practical after receipt of the request by the Employer or, if later, the date specified by the Employee in the termination request.
- 5.07 **Eligible Employee:** An Employee who meets the eligibility requirements as outlined in section 2.01 of the Plan and in Items 8 and 9 of the Adoption Agreement.
- 5.08 **Eligible Employer:** An Employer which had no more than 100 employees who received at least \$5,000 of compensation from the Employer for the preceding Plan Year (the "100 Employee limit"). An Eligible Employer who adopts a SIMPLE Retirement Plan for 1 or more years, and who subsequently fails to be an Eligible Employer, shall be treated as an Eligible Employer for the 2-year period following the last year the Employer was an Eligible Employer. If the failure to continue to satisfy the 100-Employee limit is due to an acquisition or similar transaction, the 2-year grace period applies only if the Employer satisfies the provisions of section 410(b)(6)(c)(i) of the Code.
- 5.09 **Employee:** An individual, including a Self-Employed (described in section 401(c)(1) of the code) and a common-law employee, employed by the Employer, who performs services with respect to the trade or business of the Employer. Also any employee of any other employer required to be aggregated under section 414(b), (c) or (m) of the Code; any leased employee within the meaning of section 414(n) of the Code shall be considered an Employee; and all Employees required to be aggregated under section 414(o) of the Code.
- 5.10 **Employer:** The sole proprietorship, partnership, corporation or other entity identified as such in the Adoption Agreement. If the Employer is a member of a controlled group of corporations (under section 414(b) of the Code), a group of trades or businesses under common control (under section 414(c)), an affiliated service group (under section 414(m)) or is required to be aggregated with any other entity under section 414(o), then for purposes of this SIMPLE IRA Plan, the term "Employer" shall include the other members of such groups or other entities required to be aggregated with the Employer.
- 5.11 **Matching Contributions:** The Employer contribution described in section 3.03(b) of the Plan.
- 5.12 **Nonelective Contributions:** The 2% of each Eligible Employee's Compensation described in section 3.03(c) of the Plan.
- 5.13 **Participant:** Any Employee who has met the eligibility requirements of this Plan and who is eligible to receive an Employer contribution.
- 5.14 **Plan:** The Sponsoring Organization's Prototype SIMPLE Retirement Plan consisting of this plan document and the Adoption Agreement as completed and signed by the Employer.
- 5.15 **Plan Year:** The calendar year.
- 5.16 **SIMPLE:** A Savings Incentive Match Plan for Employees, as defined in section 408(p) of the Code under which Elective Deferrals may be made.
- 5.17 **Self-Employed:** An individual who has Earned Income for a Plan Year from the trade or business with respect to which the Plan is established. A Self-Employed also includes an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the Plan Year.
- 5.18 **Sponsoring Organization:** The entity specified in the Adoption Agreement.
- 5.19 **Trustee/Custodian:** The financial institution or other organization which qualifies under section 408(a) of the Code and is serving as Trustee or Custodian of the IRA plan to which an Employer contribution is made under this SIMPLE Retirement Plan. The term Trustee shall also include an issuer of an annuity contract or endowment contract of an individual retirement annuity as described under section 408(b) of the Code.
- 5.20 **Designated Financial Institution (DFI):**
- (a) A Designated Financial Institution is a trustee, custodian, or insurance company (that issues annuity contracts) that receives all contributions made pursuant to this SIMPLE IRA Plan and deposits those contributions to the SIMPLE IRA of each Eligible Employee. If Item 14(b) of the Adoption Agreement is checked, the Employer will designate the financial institution at which SIMPLE IRAs will be established to receive contributions for Eligible Employees. Pursuant to the provisions of section 408(p)(7) of the Code, the DFI will notify Eligible Employees in writing (either separately or as part of the Plan Notice described in section 2.04 of the Plan) that their SIMPLE IRA balances may be transferred without cost or penalty to another SIMPLE IRA in accordance with the withdrawal and rollover provisions under section 408(d)(3)(G).
 - (b) If Item 14(a) of the Adoption Agreement is checked, the Employer must permit each Eligible Employee to select the financial institution for his or her SIMPLE IRA (Non-DFI).

EMPLOYER DISCLOSURE

The Savings Incentive Match Plan for Employees ("SIMPLE") is a plan that provides you with a simplified way to enhance your employees' retirement income. Under a SIMPLE, eligible employees may choose whether to make elective deferrals to the SIMPLE or to receive the amounts in cash. If elective deferrals are made, you contribute the amounts deferred by employees directly into a SIMPLE Individual Retirement Arrangement (SIMPLE IRA) set up by or on behalf of the employee with a bank, insurance company, or other qualified financial institution. The SIMPLE IRA must be one for which the Internal Revenue Service has issued a favorable opinion letter or a model SIMPLE IRA published by the Service. The information provided below is intended to assist you in understanding and administering the elective deferral provisions of your SIMPLE Retirement Plan.

I. Employers Who May Not Use This SIMPLE Plan

This SIMPLE Plan may not be used if you are an employer who:

- A. Maintains any other retirement plan including a qualified plan, SEP, SARSEP or 403(b) plan.
- B. Had more than 100 employees, who received at least \$5,000, at any time during the prior plan year. (If you are a member of a controlled group of businesses, you may use this SIMPLE Plan, provided that in the prior plan year there were never more than 100 employees who received at least \$5,000 for the prior plan year, in total, of all the members of such groups, trades, or businesses. In addition, all eligible employees of all the members of such groups, trades, or businesses must be eligible to make elective deferrals to this SIMPLE Plan.)

II. Making the Agreement

This SIMPLE Plan agreement is considered made when:

- A. You have completed all blanks on the Adoption Agreement and the Summary Description; and
- B. You have given all eligible employees copies of this SIMPLE agreement and the completed Summary Description. Any individual who, in the future, becomes eligible to participate in this SIMPLE Plan must be given the Summary Description prior to becoming an eligible employee.

III. Effective Date

This SIMPLE Plan agreement is effective on the date indicated in the Adoption Agreement. No elective deferrals may be made by an employee on the basis of compensation that the employee received or had a right to receive before adoption of this agreement and execution by the employee of the deferral election. This means your employees may not use compensation received during a plan year prior to executing a deferral election as a source of their elective deferrals.

For example, you adopt your SIMPLE Plan on July 1st for a calendar plan year, and your employees execute the deferral elections during July of that year. An eligible employee elects to defer up to 10% of his annual compensation. The employee earns \$10,000 prior to executing the deferral election. The same employee earns \$10,000 after executing their deferral election. Your employee may defer up to \$20,000 X 10% or \$2,000 for the plan year. However, the \$2,000 would only be permitted to be deferred into the plan from the \$10,000 earned after signing the deferral election.

IV. Deductibility of Contributions

You may deduct, subject to the otherwise applicable limits, those contributions made to a SIMPLE Plan. Contributions to the SIMPLE Plan are deductible for your tax year with or within which the plan year of the SIMPLE Plan ends. Contributions made for a particular tax year and contributed by the due date of your income tax return, including extensions, are deemed made in that taxable year.

V. Elective Deferrals

You may permit your employees to make elective deferrals through salary reduction that, at the employee's option, may be contributed to the SIMPLE Plan or received by the employee in cash during the year. You are responsible for telling your employees how they may make, change, or terminate elective deferrals based on salary reduction. You must also provide a SIMPLE Deferral Form on which they may make their deferral election. Elective deferrals (although treated as employer contributions) are treated as wages for purposes of FICA and FUTA taxes. Nonelective and Matching contributions are not subject to FICA and FUTA taxes. You are required to report the amount of each employee's elective deferral on such employee's Form W-2. If an employee elects to stop deferring during a Plan Year, you may elect on the Adoption Agreement to restrict such employee from resuming deferrals until the 1st day of the next Plan Year.

VI. SIMPLE Plan Requirements

- A. Compensation is the employee's total compensation from the employer and includes:
 1. Amounts received for personal services actually performed (see section 1.219-1(c) of the Income Tax Regulations); and
 2. Earned income defined under section 408(p)(6)(A)(ii) of the Code.

- B. The maximum limit on the amount of compensation an employee may elect to defer under a SIMPLE for a year is the lesser of the percentage of compensation indicated in the Deferral Form (which cannot exceed 100%) or "the applicable annual dollar limitation" described below:

<u>Tax Year</u>	<u>Contribution Limit</u>
2001	\$ 6,500
2002	\$ 7,000
2003	\$ 8,000
2004	\$ 9,000
2005	\$10,000
2006	\$10,000
2007	\$10,500
2008	\$10,500
2009 -2012	\$11,500
2013 -2014	\$12,000
2015 -2018	\$12,500
2019	\$13,000
2020	\$13,500

The maximum amount will be adjusted for cost-of-living increases in multiples of \$500.

- C. Employees who attain age 50 or over by the end of a calendar year can elect to have his or her Compensation reduced by an additional amount listed below. The maximum additional age-50 catch-up amount will be adjusted for cost-of-living increases in multiples of \$500.

<u>Tax Year</u>	<u>Catch-Up Limit</u>
2002	\$500
2003	\$1,000
2004	\$1,500
2005	\$2,000
2006	\$2,500
2007	\$2,500
2008	\$2,500
2009	\$2,500
2010	\$2,500
2011	\$2,500
2012	\$2,500
2013	\$2,500
2014	\$2,500
2015	\$3,000
2016 -2020	\$3,000

- D. You are generally required to match each employee's elective deferrals on a dollar for dollar basis up to 3% of compensation, not to exceed "the applicable annual dollar limitation". However, you may elect to reduce the 3% of compensation match (but not less than 1%), as long as such election will not result in less than a 3% Match in more than 2 years of the 5 year period ending with the current year.
- E. In lieu of an Employer Matching Contribution, you may contribute a 2% of Compensation Nonelective Contribution on behalf of all Eligible Employees. This is the only contribution under the SIMPLE plan where each employee's compensation is limited to \$200,000 adjusted for the cost of living. The compensation limit is:

\$220,000 for 2006
\$225,000 for 2007
\$230,000 for 2008
\$245,000 for 2009
\$245,000 for 2010-2011
\$250,000 for 2012
\$255,000 for 2013
\$260,000 for 2014
\$265,000 for 2015-2016
\$270,000 for 2017
\$275,000 for 2018
\$280,000 for 2019
\$285,000 for 2020

- F. Matching and Nonelective contributions cannot be made during the same plan year. You must indicate under which contribution formula you are making contributions and must communicate your election to your employees by providing a Notice within a reasonable period before the election period as specified in Article 5.06 of the Plan.
- G. Failure to provide the required employee notices or the Summary Description will result in a \$50 per day penalty.
- H. All contributions made to an Employee's SIMPLE IRA are immediately 100% vested.

- I. You are responsible for delivering all contributions under this SIMPLE Plan directly to the trustee or custodian of your employee's

SIMPLE IRA. Salary deferral contributions are required to be deposited into the employee's SIMPLE IRA on a date that is as soon as you can reasonably segregate them from your general assets, but absolutely no later than 30 calendar days following the month that the deferral contributions were withheld from your employee's pay. Failure to make these deposits on a timely basis could result in your entire SIMPLE Plan being disqualified, as well as civil or criminal penalties under ERISA. These rules also apply in the case of self-employed individuals. Thus, the latest day for the deposit of salary reduction contributions made on behalf of a self-employed individual for a calendar year is 30 days after the end of such year, which is January 30th. In order to meet the "as soon as you can reasonably segregate" standard, the DOL regulations provide for a 7-business day deadline for depositing the employee's salary deferral into their account.

VII. Excess Elective Deferrals

The law limits the maximum amount of compensation an employee may elect to defer under a SIMPLE (and certain other arrangements) during the calendar year. This deferral limit under the SIMPLE is indexed according to the cost of living. In addition, the limit may be increased if the employee makes elective deferrals to a salary reduction arrangement under section 403(b) of the Code, or a 401(k) plan maintained by another Employer. Amounts deferred for a year in excess of this limit are considered "excess elective deferrals" and are subject to the consequences described below.

The SIMPLE deferral limit applies to the total elective deferrals the employee makes for the calendar year, from all employers, under the following arrangements:

- A. SIMPLE Retirement Plans under section 408(p) of the Code;
- B. Elective SEPs under section 408(k)(6) of the Code;
- C. Cash or deferred arrangements under section 401(k) of the Code; and
- D. Salary reduction arrangements under section 403(b) of the Code.

Thus, an employee may have excess elective deferrals even if the amount deferred under this SIMPLE plan alone does not exceed the deferral limit. If an employee who elects to defer compensation under this SIMPLE Plan has made excess elective deferrals for a calendar year, he or she must include such excess elective deferrals in income in the year to which the deferrals relate and must also withdraw those excess elective deferrals by April 15 following the calendar year to which the deferrals relate.

VIII. Nondeductible Employer Contributions - Tax Consequences

If you contribute more than you can deduct, you are liable for an excise tax of 10% on the amount of the Nondeductible Employer Contribution under section 4972 of the Code. Nondeductible Employer Contributions may occur when you contribute too much (more than a 3% of compensation match, or more than a 2% of compensation nonelective contribution).

IX. Restrictions on Withdrawals

Your employees may roll over or transfer only to another trustee or custodian of a SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during a particular plan year within the 2 year period the employee first participated in the SIMPLE Plan. After such 2 year period, the employee may roll over or transfer amounts in the SIMPLE IRA into any other IRA. If the Adoption Agreement indicates that all initial SIMPLE contributions will be made to a single designated Trustee or Custodian, an Employee must be permitted to move that SIMPLE IRA without cost or penalty to another SIMPLE IRA or, if after the 2 year period, to any other IRA.

If your employees withdraw amounts from their SIMPLE IRA during the 2 year period beginning on the date such employee first participated in the SIMPLE Plan, the distribution will be includible in the employee's gross income and may also be subject to a 25% additional income tax as described in section 72(t)(6) of the Code.

X. For More Information

To obtain more information concerning the rules governing this SIMPLE Retirement Plan, please contact the Sponsoring Organization, whose name, address and phone number appear in the Prototype SIMPLE Retirement Plan Adoption Agreement. IRS Publication 560 also contains more information regarding SIMPLE plans.

Internal Revenue Service

Department of the Treasury

Prototype SIMPLE IRA Plan 001

FFN: 5092949AQ00-001 Case: 200201539 EIN: 75-1382137

Letter Serial No: K910768b

Washington, DC 20224

SWS SECURITIES INC

1201 ELM STREET SUITE 3500

DALLAS, TX 75270

Contact Person:

Ms. Arrington 50-00197

Telephone Number:

(202) 283-8811

In Reference to:

OP:E:EP:T

Date:

10/24/2002

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

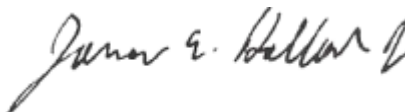
Your prototype may have to be amended to include or revise provisions to comply with future changes in the law or regulations.

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 (FFN) 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,



Chief, Employee Plans Technical Branch



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
Employee Plans

August 4, 2021

Hilltop Securities, Inc.
Attn.: Mr. Brian Wittneben
717 N. Harwood Street
Dallas, TX 75201

Re: Hilltop Securities, Inc.; EIN: 75-1382137
Nonbank Trustee or Custodian Status

Dear Mr. Wittneben:

This is in response to a letter dated May 21, 2021, concerning a change to your nonbank custodian application. Your nonbank custodian application was approved, pursuant to section 1.408-2(e) of the Income Tax Regulations (Regulations), on December 9, 1992. Our approval letter authorized Hilltop Securities, Inc., f/k/a Southwest Securities, Inc., to act as a passive trustee or custodian of qualified plans under section 401, accounts established under section 403(b)(7), and IRAs described in section 408 of the Internal Revenue Code.

Your May 21, 2021 correspondence informed our office, pursuant to section 1.408-2(e)(6)(iv) of the Regulations, that the address of Hilltop Securities, Inc. was changed from Renaissance Tower, 1201 Elm Street, Suite 3500, Dallas, TX 75270 to 717 N. Harwood Street, Suite 3400, Dallas, TX 75201. Your correspondence did not disclose any other changes that would affect the continuing accuracy of your application.

We have updated our files accordingly. No further action will be taken by this office on this matter.

Please note that this is not a new determination, nor a determination as to whether Hilltop Securities, Inc., continues to meet the requirements of section 1.408-2(e) of the Regulations.

Thank you for writing to us about this matter. Should you have any questions, please contact Roz Ferber (Badge No. 1000221499) at (202) 317-8724.

Sincerely,

Sherri M. Edelman

Sherri M. Edelman, Manager
Employee Plans Technical Group 1

Correspondent Customer Information Brochure

CUSTOMER AGREEMENT AND INFORMATION BROCHURE

Hilltop Securities Inc. (HTS), a Member Firm of the New York Stock Exchange (NYSE), the Financial Industry Regulatory Authority (FINRA), and the Securities Investor Protection Corporation (SIPC) may perform, as agent, certain execution and clearing functions for your independent brokerage firm. These services are performed under a contract, known as a Fully Disclosed Clearing Agreement (the Clearing Agreement), between HTS and your independent brokerage firm. In the Clearing Agreement, "Financial Professional" or "your Financial Professional" refers to the financial professional with whom you deal or to the introducing brokerage firm employing him/her. In addition, "You," "you", "your", and "Customer" refer to each person who signs the account application, including self-directed customers where applicable. HTS' role is limited to performing execution, clearing and custodial functions for your Financial Professional. HTS makes no investment recommendations to You, your Financial Professional, or the customers of your brokerage firm assumes no responsibility for any investment recommendations made, or for trades made within your account.

Your Financial Professional is not an employee or agent of HTS, but rather an employee or owner of a brokerage firm using the facilities of HTS to perform certain execution and clearing functions. Neither the financial professional nor the brokerage firm may contractually bind HTS or make any representations to you on HTS' behalf. HTS is acting only as an agent for your Financial Professional accepts no liability or responsibility for any act or omission of your Financial Professional or your brokerage firm's employees. HTS has no responsibility to supervise or monitor the activities of introducing financial professionals and the introducing financial professionals are exclusively responsible for ensuring that the transactions within your account comply with all applicable laws and regulations.

You ("You" or "Customer") should discuss your investment goals thoroughly with your Financial Professional. The more your Financial Professional knows about your circumstances and financial goals, the better prepared your Financial Professional is to help you. SHOULD YOU HAVE ANY QUESTIONS CONCERNING ANY ASPECT OF THESE AGREEMENTS, YOUR ACCOUNT OR SECURITIES IN GENERAL CONTACT YOUR FINANCIAL PROFESSIONAL IMMEDIATELY.

The terms and provisions of the Customer Agreement apply to both HTS and your Financial Professional. You understand and agree that any rights that either HTS or your Financial Professional has under the Customer Agreement (collectively, the "Customer Agreement"), may be exercised by either party or may be assigned to the other, including, but not limited to, the right to collect any debit balance or other obligations owing in your account. HTS and your Financial Professional may collect from you or enforce any other rights under the Customer Agreement independently or jointly. **You understand and acknowledge that HTS may modify or change the terms and conditions set forth herein without notice.**

ALLOCATION OF RESPONSIBILITIES

The purpose of this Allocation of Responsibilities is to set forth the division of responsibilities and the duties of HTS and your Financial Professional and/or your independent brokerage firm ("Financial Professional"). However, it is not meant as a complete listing of every possible circumstance, but only as a general disclosure. You have a direct relationship with your Financial Professional and nothing in the clearing and operational services provided by HTS to your Financial Professional alters that relationship.

With respect to your account being carried on HTS' books by arrangement with your Financial Professional, HTS is responsible for:

- Maintaining books and records detailing transactions in your account, and preparing confirmations and statements showing purchases and sales of securities and related activity, including receipt and delivery of securities and monies, and the collection and distribution of dividends.
- Money market fund and Bank Insured Bank Deposit Program sweep activity will be reflected on your monthly or quarterly statements. Individual trade confirmations for sweep transactions and dividend reinvestments will not be provided.
- Providing margin credit, reviewing requests for extension of payment, the filing of various regulatory reports and observance of applicable industry rules and practices in the extension of credit, which includes compliance with Regulation T of the Federal Reserve Board, the regulations of the FINRA and the application of HTS' own house margin maintenance requirements. HTS or your Financial Professional sets the rates of interest to be charged to your account.
- Safeguarding your funds and securities, while in the possession of HTS, in accordance with Federal Regulations pertaining thereto. HTS is a member of the Securities Investor Protection Corporation ("SIPC"), which provides customers with insurance protection.
- HTS is a member of SIPC, which protects the securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). In addition, HTS has purchased Excess SIPC Insurance which covers the net equity of customers' accounts up to an aggregate of \$200 million from underwriting syndicates at Lloyd's of London. This coverage is offered over and above the coverage provided by SIPC. SIPC and Excess SIPC covers accounts of the member firm in the event of a member's bankruptcy or insolvency. SIPC and Excess SIPC Insurance Coverage do not protect against losses due to market fluctuation or any decline in market value of your securities. An explanatory brochure is available at www.sipc.org or by calling (202) 371-8300.
- Providing you with year-end tax information as required by the Internal Revenue Service. HTS will furnish you with applicable tax documents for the transactions conducted through HTS.
- Disseminating materials concerning proxies, tender offers, and similar shareholder information received by HTS and providing various records for you as required by applicable laws and regulations.
- HTS will accept from your Financial Professional, without any inquiry or investigation by us, orders and instructions regarding your account. More-over, until receipt by HTS of your written instructions to the contrary, HTS may carry out all instructions from your Financial Professional and for your account(s) and hold you responsible for such transactions.
- HTS will not be responsible for any investment recommendation made by your Financial Professional. Furthermore, HTS does not audit, supervise, control or verify information provided by your Financial Professional in connection with your account, except as required for compliance with the USA PATRIOT Act of 2001.

To comply with the USA PATRIOT Act of 2001, HTS or your Financial Professional may conduct a background check and/or utilize an independent third party to verify all information including information used to verify a customer's I.D.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. If you have an account, you will be asked for your name, address, date of birth and other information that will allow us to identify you. You may also be asked to provide your driver's license and/or other documents for identification. If you fail to provide the requested information, or your identity cannot be verified, your Financial Professional may not be able to open an account for you. If an account has already been opened, it may be subject to closure.

Your Financial Professional will be responsible for the following with respect to your account(s):

- Opening, approving and monitoring your account(s), including obtaining and verifying new account information and providing HTS with such documents as may be necessary from time to time. This includes obtaining information about your financial condition and investment objectives.
- Setting the fees to be charged to your account; therefore, those fees may differ from the fees charged by HTS, the clearing firm.
- Advising HTS of the proper title in which your account should be carried.
- Staffing and maintaining a Compliance Department and the establishment of written procedures for supervising the conduct of your account(s) and enforcing federal, state and industry regulations designed to detect and deter violations of the insider trading laws. Your Financial Professional will be responsible for: (a) assuring that transactions in your account are in compliance with applicable laws and regulations, (b) determining the suitability and legality of transactions in your account, (c) determining the propriety of the trading activity conducted in your account, including the frequency of trading, and (d) determining if your account involves discretionary transactions and properly supervising the exercise of such discretion.
- Advising HTS of any reduced sales charge due to break points when purchasing a mutual fund.
- Prompt transmission to HTS of your designated securities and cash equivalents for your respective account. Prompt communications of instructions to HTS involving your account, such as the transfer and delivery of securities, the disbursement of funds from your account, and your intentions regarding tender or exchange offers involving securities in your account.
- Responding to any inquiries or complaints that you may have concerning your account and promptly informing HTS, in writing, of any complaints or inquiries that pertain to HTS.

You will remain a customer of your Financial Professional and any general questions you may have with respect to your account should be directed to your Financial Professional with whom you opened your account. Your Financial Professional is provided copies of confirmations and statements in order to facilitate answering any questions you may have. HTS carries your account and acts as your custodian for funds and securities deposited with us directly by you, through your Financial Professional, or as a result of transactions we processed on your behalf. All inquiries concerning the positions and balances in your account should be made to your Financial Professional. Should information in addition to that provided by your Financial Professional be necessary, you may contact the HTS Client Services Department at 877-797-6613.

WEBSITE ADDRESS

Hilltop Securities Inc.'s website www.hilltopsecurities.com is referenced throughout this Customer Agreement.

TAX and LEGAL ADVICE

HTS cannot offer or issue tax or legal advice to you or your Financial Professional. Where specific tax or legal advice is necessary or prudent, HTS recommends that you consult with your own tax or legal counsel.

CASH ACCOUNT AGREEMENT

In consideration for HTS opening and maintaining one or more cash accounts, you agree to be bound by the terms and conditions of the Customer Agreement, which may be amended at HTS' discretion, as follows:

- 1. Applicable Rules and Regulations.** All transactions made for you are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and its clearing house, if any, where the transactions are executed, as well as the mandates of the NYSE, FINRA, the United States Securities and Exchange Commission (SEC), and the Federal Reserve Board. The transactions shall also be subject to all applicable federal and state laws, rules and regulations, and will be construed in accordance with the laws of the State of Texas. It is important that you understand that your property may be transferred to the applicable State if no activity occurs in your account within the time period specified by State law.
- 2. Capacity to Contract, Customer Affiliation.** You represent being of legal age, and not an employee of any exchange, member firm of an exchange or FINRA, bank, insurance company, or trust company, and that HTS will be promptly notified upon such association. You also represent that no one has an interest in this account or your other accounts with HTS, other than those signing the appropriate account documents.
- 3. Binding Upon Customer's Estate.** You hereby agree that the Customer Agreement will be binding upon Customer's heirs, executors, administrators, personal representatives and assigns, and that any successor will be notified of the Customer Agreement's provisions.
- 4. Important Information About Procedures for Opening a New Account.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.
- 5. Agreement Contains Entire Understanding/Assignment.** The Customer may not assign the rights and obligations in the Customer Agreement without first obtaining the prior written consent of a duly authorized officer of HTS.
- 6. Severability.** If any provision of the Customer Agreement is held to be unenforceable by any law, rule, administrative order or judicial decision, that determination shall not affect the validity of the remaining provisions.
- 7. Waiver and Modification.** Except as specifically permitted in the Customer Agreement, no provision may be waived or amended unless it is agreed to in writing and signed by a duly authorized officer of HTS. You further understand that the failure to exercise any right or obligation granted by the Customer Agreement will not be considered as a waiver of that right or obligation.
- 8. Opening an Account** Before an account can be opened, you must furnish your Financial Professional with certain information, including your name, address, Social Security number or tax identification number, citizenship, age, occupation, bank or other brokerage reference, as well your financial situation (net worth, income, investment experience, investment objective). Your Financial Professional has the responsibility for opening, approving and monitoring your account. Your Financial Professional must obtain and is responsible for new account documentation, knowledge of customer and customer investment objectives, new account approval or rejection, determining the commission charged, review of orders and accounts, supervision of orders and accounts, furnishing of investment advice, handling and supervision of discretionary accounts, and the handling of accounts for employees or officers of member organizations, self-regulatory organizations and other financial institutions. Each account opened is subject to HTS' acceptance and HTS reserves the right to close or restrict an account or reject a transaction at any time. HTS and your Financial Professional reserve the right to conduct background checks on account holders at any time, including obtaining credit reports. If requested, you will sign a separate release authorizing the release of credit information.
- 9. Backup Withholding.** Federal law requires, for U.S. persons, a specified percentage of reportable interest, dividends, and proceeds from the sale of securities be withheld, unless you furnish a correct taxpayer identification number. To avoid this "backup withholding" complete and return the New Account Application, which includes the substitute W-9 Form, certifying that the taxpayer number you are furnishing is correct and that you are not subject to backup withholding. For most individuals, your taxpayer identification number and Social Security number are the same. Foreign persons claiming foreign status must complete the IRS W-8BEN Form (for joint foreign accounts, each owner submits a W-8BEN).
- 10. FATCA Withholding.** Due to the enactment of the Foreign Account Tax Compliance Act (FATCA), if HTS cannot reliably associate a payment with valid documentation from the foreign person(s), HTS must presume the account is domestic, backup withhold and produce a 1099 tax statement for the period of time the foreign account is not properly documented. Foreign Financial Institutions (FFIs) and Non-Financial Foreign Entities (NFFEs) must submit a valid IRS Form W-8BEN-E. If HTS does not receive valid documentation, FFIs and NFFEs are subject to 30% FATCA withholding. In addition, if the account is classified as a United States Financial Institution (USFI) and HTS does not receive a valid IRS Form W-9, HTS is required to treat the USFI as foreign, subject to 30% FATCA withholding and produce a 1042-S tax statement for the period of time the USFI is not properly documented.
- 11. Cash Account.** Your brokerage cash account does not provide for the extension of credit (margin), and you must pay in full for any security that you purchase. Regulation T of the Federal Reserve Board and certain Exchange rules require settlement of the purchase or sale of securities on the settlement date, which is usually two (2) business days following the transaction. When you buy a security, prompt payment by personal check, wire transfer, cashier's check or money order payable in U.S. funds to the order of HTS must be received into your account. Your Financial Professional can tell you the amount due shortly after any purchase. HTS will prepare and send a confirmation to you as soon as possible after execution of your order. You should not wait for the arrival of the confirmation before paying, since funds must be received by the settlement date. Federal Regulation T requires HTS to liquidate securities for which prompt payment is not received. In that event, you will be responsible for any resulting loss, will not be entitled to any gain, and your account will be restricted for 90 days. When you sell your stock it is essential that you deliver the certificate promptly to your account at HTS. The proceeds of a sale cannot be paid to you until HTS' receipt of your stock certificate in good, deliverable form by the settlement date. If HTS does not receive the securities that you sold within a reasonable amount of time after settlement date, your Financial Professional is required to purchase the securities in the open market. Again, you will be responsible for any resulting loss, will not receive any gain, and your account will be restricted for 90 days. The proceeds of a sale will be either retained in your account or, if you so request, the funds will be mailed to you. You may also request that sale proceeds, dividends and interest be automatically deposited to your bank account by electronic funds transfer. In general, it is HTS' policy that funds cannot be withdrawn against a deposited check within ten (10) business days of the date of deposit.
- 12. Interest on Cash Balances** All balances in the Cash and Margin account types will be net together. If the netting results in a settled debit, debit interest will be charged. If the netting results in a settled credit, credit interest will be paid. Interest will be paid on those net credit balances that accrue \$1.00 or greater of interest during the month. Please refer to Section 40 "Securities Industry Protection Corporation (SIPC) and Excess SIPC Coverage" for a discussion of your account protection. Please consult your Financial Professional for additional information.
- 13. Compensation to HTS.** HTS may receive compensation for establishing relationships through which investment products are made available which could result in a lower rate of return to the client. This compensation may include non-cash items such as reciprocal arrangements, discounts, rebates or reductions or credits against fees that would otherwise be payable in full by your Financial Professional or HTS.
- 14. Sweep Program.** HTS's Sweep Program is a service provided by HTS to its customers offering you the option of automatically transferring excess cash balances in your securities account to our Bank Insured Deposit program (BID), which is an account at a participating bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). A sweep of your excess cash balance allows you to earn interest on the funds while retaining the flexibility to quickly access that cash to purchase securities or withdraw it. To participate in the HTS sweep program, you must select a sweep upon account opening by affirmative written consent. HTS may change the products available under the sweep program. For existing accounts, please notify your Financial Professional if you wish to sweep your cash balances to the BID program. If you decline participation in the sweep program, fail to make a sweep program election by affirmative written consent, or if your account is otherwise ineligible to sweep, excess cash balances must be retained in an interest-bearing SIPC insured credit investment program (CIP) account held at HTS. Unlike cash accounts, individual retirement accounts and qualified retirement plan accounts may not retain excess cash balances in CIP. Therefore, these specific types of accounts must affirmatively select the BID program. HTS will generally provide any customer participating in its sweep program at least thirty (30) days written notice of (1) changes to the terms and conditions of the sweep program and any products currently available through the sweep program, (2) any changes, additions or deletions of products available through the sweep program, and (3) changing a customer's investment through the sweep program from one product to another. If advance notice of a modification is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable of any change in the sweep program that results in changing the core account investment vehicle for your account. The BID program is a program which involves a series of FDIC-insured bank accounts maintained at various participant banks, including PlainsCapital Bank, an affiliate of HTS. A list of all participant banks is available on our website at www.hilltopsecurities.com/disclosures/sweep-account-disclosure/. Additions and changes to the list of participant banks will also be posted on this website. Please consult your Financial Professional, as certain types of accounts may not be eligible to invest in the Bank Insured Deposit. If your account is ineligible, excess cash balances will be retained in an alternate fund or CIP. It is important that you understand the unique nature, insurance coverage, and risk associated with each type of account. SIPC coverage does not protect cash balances created and maintained solely for the purpose of earning interest, so funds in CIP accounts must be intended for future reinvestment. HTS may temporarily suspend or discontinue the sweep arrangement, or change the timing or frequency of the sweep anytime without advance notice to you. If HTS fails to sweep your uninvested funds in the manner described in the Customer Agreement, HTS's liability is limited to the actual amount of interest you would have earned had the sweep been performed. HTS may automatically sweep funds from your sweep account to your brokerage account anytime without advance notice to you to pay for securities transactions and withdrawal requests, satisfy a debit balance, settle any other obligation you owe HTS, pay your margin loan, provide necessary collateral in your margin account, or for any other permissible purposes. Should you wish to access these funds or information regarding the fund rates, contact your Financial Professional. You can also visit www.hilltopsecurities.com/disclosures/sweep-account-disclosure/ for

information regarding fund rates. With ongoing changes to the rates of return for the BID program, your personal financial circumstances and market conditions, you should always consider all of your investment options.

HTS anticipates receiving fees, including fees for administrative services, and other financial benefits for providing sweep funds to our sweep program administrator and participant banks, including our affiliate PlainsCapital Bank. HTS anticipates the participant banks will receive a financial benefit from the use of sweep funds, such as net interest income.

The FDIC insures bank deposit accounts such as checking, interest-bearing checking and savings accounts, money market deposit accounts, and certificates of deposit (CDs) if an insured bank or savings association fails. Your bank deposits are generally insured up to \$250,000 per account holder, while your IRA and other qualifying self-directed retirement funds on deposit are separately insured up to \$250,000. The FDIC does not insure the money you invest in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if you purchased those products from an insured bank. Previously existing or other bank accounts you maintain at a participant bank may affect your FDIC insurance coverage. If your funds on deposit at any one bank exceed the applicable FDIC insurance limit of \$250,000 per account holder (\$250,000 for qualifying retirement accounts), the FDIC will not insure your funds in excess of the limit. If you have a deposit with one of the participant banks that is separate from a balance in the BID, please notify your Financial Professional if the combined deposits are in excess of \$250,000, and such excess funds will be placed with another participant bank, if available. HTS is not, itself, an FDIC-insured depository institution. Rather, the FDIC's deposit insurance coverage only protects against the failure of an FDIC-insured depository institution, including the participant banks. In order to qualify for this pass-through deposit insurance, HTS is also required to meet certain requirements.

The current target maximum amount of FDIC Insurance coverage for your deposits in the BID program is up to \$5 million (for an individual account) or up to \$5 million per each individual owner of a joint account (e.g., for a joint account with two individual owners – up to \$10 million) (Maximum Applicable FDIC Deposit Insurance Amount), subject to the total amount on deposit in an account, applicable FDIC rules, and bank availability. Account balances in excess of the Maximum Applicable FDIC Deposit Insurance Amount will be invested in the Dreyfus Government Cash Management Money Market Fund Investor Class (DGVXX). DGVXX, which is only available for account balances in excess of the Maximum Applicable FDIC Deposit Insurance Amount, is registered with the SEC pursuant to the Investment Company Act of 1940 and treated as a security. Please note that DGVXX is not FDIC-insured, not guaranteed by the federal government, and is not a deposit or obligation of any bank or guaranteed by any bank. There can be no assurance that this or any money market fund will be able to maintain a stable net asset value of \$1 per share. See the DGVXX money market fund prospectus for more complete information, including terms, management fees, prevailing rates, and expenses. You can obtain a prospectus by contacting your Financial Professional or via our website at www.hilltopsecurities.com/disclosures/sweep-account-disclosure/. You should consider the fund's investment objectives, risks, and expenses carefully before investing.

For a list of participant banks in the BID program, please go to www.hilltopsecurities.com/disclosures/sweep-account-disclosure/. Additional information regarding FDIC coverage is available at www.fdic.gov. Please consult your Financial Professional, as certain types of accounts may not be eligible to invest in the BID program. Please refer to the HTS Bank Insured Deposit Program Terms and Conditions document for additional information. A copy of this document may be obtained from your Financial Professional or online at www.hilltopsecurities.com/disclosures/sweep-account-disclosure/.

The HTS Bank Insured Deposit Program Terms and Conditions document contains information and other disclosures regarding our services, fees and other compensation Hilltop Securities, our affiliates, financial advisors and subcontractors reasonably expect to receive in connection with the BID program and related services provided to your plan and/or account. This information is intended to be sufficient to comply with the Department of Labor regulation on reasonable contracts or arrangements under section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Hilltop Securities has a conflict of interest with respect to the BID program, because the banks participating in program (including PlainsCapital) have discretion in determining how much interest to pay on program deposits, and HTS has discretion in determining how much of that bank interest rate is paid to customers in the program and how much of the bank interest rate to retain itself as a Program Fee. The banks (including PlainsCapital) have a financial interest in paying a lower interest rate so that their net interest income is increased, and HTS has a financial incentive to pay a lower rate to customers so that its fees are increased. HTS does not share any fees received in the BID program or any revenue received in connection with the program with its Investment Adviser Representatives (IARs).

Hilltop pays interest based on a "tiered" interest rate system, which will pay different rates of interest based on six different deposit tiers. Generally speaking, higher cash deposit balances will receive higher rates of interest than deposits with lower balances. The amount of interest paid will be determined by the amount of interest paid by the banks participating in the program, minus the amount of fees charged by us, as broker-dealer or custodian, in accordance with the following tiers:

Tier	Deposit Level
Tier 1	\$0 to \$49,999.99
Tier 2	\$50,000 to \$249,999.99
Tier 3	\$250,000 to \$499,999.99
Tier 4	\$500,000 to \$999,999.99
Tier 5	\$1,000,000 to \$2,999,999.99
Tier 6	\$3,000,000 or more

The applicable interest rate tier will be determined based on the amount of cash available in your brokerage account on a per account basis. Cash available in one brokerage account will not be aggregated to include cash which may be contained in other brokerage accounts you hold with us for purposes of qualifying for a higher interest rate tier. In other words, the amount of cash available in each specific brokerage account can only be used to qualify for one individual interest rate tier under the BID program.

Interest on funds in a bank deposit account is accrued daily, compounded monthly, and credited to your account monthly. Interest begins to accrue on the date of deposit in the BID up to, but not including, the date of withdrawal. The daily balance method is used to calculate the interest on these accounts. The daily rate is 1/365 (or 1/366 in a leap year) of the interest rate. Account rates are set in accordance with other bank products and may be changed at any time. The rate of return paid on BID program funds may vary from the rates of return available to account holders making deposits with the participant bank directly, through other types of accounts at your brokerage, or with other depository institutions in comparable accounts.

The BID program may be more profitable to HTS and its affiliates than other potential sweep options. You should compare the terms, rates of return, required minimum amounts, charges and other features with other accounts and alternative investments.

15. Joint Accounts Joint account customers agree, that the signatories, jointly and severally, have the authority on behalf of the account to do all acts and have all rights, responsibilities and obligations that an individual account holder may have. Joint account customers, jointly and severally, agree that each joint account customer will have authority on behalf of the account to buy, sell and otherwise deal in securities; to receive on behalf of the joint account demands, notices, confirmations, reports, statements of account, and communications of every kind; and to deal with the financial professional on behalf of the joint account as fully and completely as if the Customer alone were interested in the account. This may all be done without notice to others interested in the account. Your Financial Professional is authorized to follow the instructions of any of the account holders in every respect concerning the joint account. In the event of deliveries of securities or payments to any of the joint account parties, your Financial Professional will be under no duty or obligation to inquire into those deliveries or payments. Joint authority will remain in force until your Financial Professional receives written notice of revocation. Your Financial Professional, however, is authorized, at the account holders' discretion, to require joint account action by the joint tenants with respect to any matter concerning the joint account. If the Joint Tenants with Right of Survivorship box has been marked, on the death of any account holder, the deceased party's ownership of the account passes to the surviving account holders.

The liability with respect to said account shall be joint and several. All property shall be subject to a lien in the financial professional's favor for the discharge of the obligations owed the financial professional. It is understood that the lien be in addition to and not in substitution of the rights and remedies the financial professional would otherwise have.

It is further agreed that the estate of any of the account holders who have died will be liable, and each survivor will continue to be liable, jointly and severally, to the financial professional for any net debit balance resulting from transactions initiated prior to the receipt by the financial professional of the written notice of the death, incurred in the liquidation of the account, or the adjustment of the interests of the respective parties.

16. Custodial Accounts. It is agreed that all accounts opened under the Uniform Gift to Minors Act (UGMA), the Uniform Transfers to Minors Act (UTMA), or similar state statutes will be properly created and that all property so transferred will be done in compliance with such applicable statutes. There will be good faith reliance upon the instructions given, representations made and actions taken by a transferor or custodian. Further, the custodian represents and warrants that the assets in the account belong to the minor and that all such assets, whether or not transferred out of the UGMA or UTMA account, will only be used for the benefit of the minor.

17. Employee Stock Option Plans. With HTS' and your Financial Professional's consent, you may exercise employee stock options or execute other employee stock plans through them. In such instances, by your signing the New Account Application, you represent to the issuer of such securities that HTS may make payments from your account for the cost of the securities. You understand that once those instructions have been accepted by HTS, they are not revocable or amendable by you, and that you agree to hold HTS and your Financial Professional free and harmless from any liability, cost or expenses associated with the market fluctuation of the stock price of the subject security. You understand that prior to acceptance of your instructions, HTS must verify that the issuer will promptly deliver a readily marketable security in negotiable form, and that you must designate the account into which the securities are to be deposited.

- 18. New Issues** In connection with certain public offerings of securities, after a registration statement has been filed, you may be permitted to enter a conditional offer expressing your offer to purchase securities "when and if issued." You understand that a conditional offer is an offer to purchase public offering securities which (i) cannot be accepted until such time (the "Time of Effectiveness") as the public offering securities have been effectively registered, but (ii) may be accepted, in whole or in part, immediately upon such Time of Effectiveness without any further action or consent on your part. You will be entitled to cancel any conditional offer at any time prior to the time that the Time of Effectiveness has occurred and your offer accepted. Each conditional offer or subscription will be authorized by you and accepted with the understanding that an actual purchase is intended and that it is your obligation to pay for the purchase upon our demand. HTS and your Financial Professional's processing of any conditional offer or subscription will be subject to certain rules and regulations, which are subject to change at any time without notice. You understand that entering a conditional offer or a subscription in no way entitles you to purchase any securities, and that HTS and your Financial Professional reserves discretion to reject any offer for any reason, to allocate securities on any basis, or to change methods for allocating securities at any time and without notice. You also understand that HTS and your Financial Professional may require that your account contain available funds equal to or greater than the purchase price reflected by your offer. Any offer inadvertently accepted without sufficient funds in your account will be subject, at HTS' discretion, to cancellation or liquidation. You are responsible for your offers, including any purchases which exceed available funds. If funds are not available in the account and an offer is accepted, your payment must be immediately submitted to HTS. If payment is not received, or as market conditions warrant, at HTS' discretion, your account may be liquidated without prior notice. In the event your account is liquidated, you will be liable for resulting losses and all associated costs incurred by HTS.
- 19. Callable Securities.** HTS, in accordance with FINRA Rule 4340 (Callable Securities), has a lottery process in place which will allocate among its customers, on a fair and impartial basis, the securities to be redeemed or selected as called in the event of a partial redemption or call. You may access the firm's allocation procedures on the firm's website at www.hilltopsecurities.com. HTS will provide hard copies of the allocation procedures upon request.
- 20. Restricted Securities.** You agree to advise HTS and your Financial Professional as to the status of any securities that fall under Rule 144, 145, 148, and 701 of the Securities Act of 1933, as amended, and to timely deliver the appropriate paperwork to ensure clear legal transfer and good delivery of such securities.
- 21. Foreign Income Tax Withholding.** When dividends and interest are paid on foreign securities, foreign tax is generally withheld from the payment by the paying agent at a tax rate known as the statutory, or maximum, rate and paid to the foreign taxing authority. In many cases investors are resident for tax purposes in countries that have tax treaties with the security's country of issuance. For specific types of investors, these treaties often allow for a favorable rate of withholding, less than the statutory rate. If you invest in foreign securities and are eligible for a favorable rate of withholding on dividends and interest, a residency certification is usually required. Most countries require IRS Form 6166 for US residents. To request a Form 6166, a taxpayer or an authorized representative must submit Form 8802 to the IRS. If your account is eligible for the favorable tax rate, and HTS secures the distribution at the favorable rate at source, the payment will be paid to your account less fees assessed by the depository.
- 22. Customer's Responsibility Regarding Certain Securities.** Certain securities may grant the customer valuable rights that may expire unless you take action. These securities include, but are not limited to, warrants, stock purchase rights, convertible securities, bonds and securities subject to a tender or exchange offer. You are responsible for knowing the rights and terms of all securities in your account. HTS and your Financial Professional are not obligated to notify you of any upcoming expiration or redemption dates, or to take any other action on your behalf, without specific instructions from you, except as required by law and applicable rules of regulatory authorities. Similarly, you are responsible for knowing about reorganizations related to securities that you hold, including but not limited to stock splits and reverse stock splits. HTS and your Financial Professional are not obligated to notify you of any such reorganizations. If, due to a reorganization, you sell more shares of a security than you own, if you become uncovered on an options position, or if you become otherwise exposed to risk requiring HTS or your Financial Professional to take market action in your account, HTS and your Financial Professional will not be responsible for any losses you incur. Overselling in a cash or margin account may be an impermissible short sale and may result in your account being restricted.
- 23. Delivery of Securities.** Without abrogating any of HTS' or your Financial Professional's rights under any other portion of the Customer Agreement, and subject to any indebtedness of the Customer to the financial professional, the Customer is entitled, upon appropriate demand, to receive physical delivery of fully paid, transferable securities in the Customer's account. If transferable physical securities are deposited in an account within ten (10) business days prior to a transfer, such shares will not be released by HTS until the ten-day period has lapsed. In addition, transferable securities purchased and paid for by check will not be released for transfer until ten (10) business days subsequent to the deposit of the check.
- 24. Agency and Principal Transactions.** Many stocks and bonds are not traded on a securities exchange but in what is known as the over-the-counter market (OTC). When you buy or sell a security in this market, your Financial Professional may act as an agent or as a principal. The confirmation, which you receive, will designate the capacity in which your Financial Professional acted. When your Financial Professional acts as a principal, HTS is selling securities to you that it either owns or expects to buy shortly, or is buying securities from you for its own account. When your Financial Professional acts in an agency capacity for you in purchasing or selling securities in the OTC market, your Financial Professional is dealing on your behalf with another Financial Professional/Dealer, which could be HTS, or a customer of HTS. In such a case, the commission will be reflected on your confirmation. Orders that exceed specified criteria may undergo additional review by your Financial Professional and/or HTS.
- 25. Transactions and Settlements.** All customer orders for the purchase or sale of securities and other property will be executed with the understanding that an actual purchase or sale is intended and that it is the Customer's intention and obligation to deliver securities or the necessary funds by settlement date. If the Customer fails to deliver to the Financial Professional any securities and other property sold at the Customer's direction, the financial professional is authorized to borrow the securities and other property necessary to enable the financial professional to make delivery. The Customer agrees to be responsible for any cost or loss the financial professional may incur, or the cost of obtaining the securities and other property which the financial professional is unable to borrow. The financial professional is the Customer's agent to complete all such transactions and is authorized to make advances and expend monies as required. Please be advised that certain orders, at HTS' or your Financial Professional's discretion, may be subject to manual review and entry, which may cause delays in the processing of your orders. You should be aware that with respect to any order, you would receive the price at which your order was actually executed in the marketplace, which may be different from the price at which the security or option is trading when your order is entered. HTS is not liable for any such price differences or delays in the processing of your orders. You also understand that security price quotes provided to you may only be valid for a limited quantity. Orders for large share or principal value amounts may execute in multiple lots and at different prices than previously quoted. HTS reserves the right at its sole discretion to refuse any order or to enact certain requirements for the acceptance of any order without advance notice. You understand that HTS may not be held liable for acting upon false oral instructions or forged documents.
- 26. Stop on Quote Orders** HTS accepts orders defined as Market, Limit, Stop and Stop Limit. In addition, we offer "stop on quote" and "stop limit on quote" order types. A stop on quote order to buy (or sell) becomes a market order to buy (or sell) when the NBBO ask (bid) is at or above (below) the stop price, and a stop limit on quote order to buy (or sell) becomes a limit order to buy (or sell) at the limit price when the NBBO ask (bid) is at or above (below) the stop price.
- 27. Execution of Orders/Erroneous Reports.** Your Financial Professional can execute your orders to buy or sell securities, or forward them to HTS for execution. Stock and option exchanges have rules governing erroneous reports of executions. The price at which an order is executed will be binding, notwithstanding that an erroneous report may have been rendered or no report was received from the exchange. Also, a report will not be binding if an order was not actually executed but was reported in error.
- 28. Cancellation Requests; Late and Corrected Reports.** When you place a request to cancel an order, the cancellation of that order is not guaranteed. Your order will only be canceled if your request is received in the marketplace and matched before your order is executed. During market hours, it is rarely possible to cancel your market order. Do not assume that any order has been executed or cancelled until you have received confirmation from HTS or your Financial Professional. Please be advised that HTS and your Financial Professional may, from time to time, receive late reports from exchanges and market makers reporting the status of transactions. Accordingly, you may be subject to late reports related to orders that were previously unreported to you or reported to you as being expired, cancelled, or executed. Further, any reporting or posting errors, including errors in execution prices, will be corrected to reflect what actually occurred in the marketplace.
- 29. Dividend Reinvestment Program (DRIP Program).** With this feature, all dividends paid by eligible securities that you designate for reinvestment are automatically reinvested in additional shares of the same security. (For purposes of the Dividend Reinvestment Program, "dividends" means cash dividends and capital gain distributions, late ex-dividend payments, optional dividend distributions and special dividend payments, but not cash-in-lieu payments.) To be eligible for this program, a security must be held, in the account, in street name by HTS or at a securities depository on its behalf. Open orders for securities are not eligible for dividends. In designating any eligible security for reinvestment, you authorize us to purchase shares of that security for your account. Participation in the DRIP Program may be terminated at any time by giving notice to HTS. The termination will take effect with the next eligible cash distribution provided the notice to terminate was received prior to the record date of the distribution. All eligible cash distributions will be reinvested on all eligible securities that have been enrolled in the DRIP Program without commission charges provided the securities were held on the record date and the dividend payable date. All rights accruing to partial shares of an eligible security that are subject to the DRIP Program will be sold in the event of a rights offering. Proceeds from the sale will be used to purchase additional shares of the eligible security. In the event of a transfer, liquidation, or request to issue a certificate, the partial shares will be liquidated at prevailing market prices without a commission charge. Shares purchased through the DRIP Program will generally be placed in your account as of the dividend payable date. Note, however, that the stock price at which your reinvestment occurs is not necessarily the same as the price that is in effect on the dividend payable date. This is because HTS may buy the shares of domestic companies two (2) business days or less before the dividend payable date, at the market price(s) in effect at the time, in order to help ensure that HTS has shares on hand to place in your account on the dividend payable date. Other factors may require the purchase of the shares on a different business day, which may be before, on, or after the dividend payable date, e.g., dividends of foreign companies. Also, shares of securities that have an unusual ex-dividend date are purchased on the ex-dividend date and placed in our account on the first business day following the dividend payable date. Therefore, you may

end up receiving more or fewer shares than if your dividend had been reinvested on the dividend payable date itself, particularly if there are significant changes in the market price of a security just before its dividend payable date. If sufficient shares are unavailable in the market to satisfy all customers' requirements for dividend reinvestment for a security, the dividend will not be reinvested.

Automatic reinvestments often involve purchase of fractional shares. Partial shares pay prorated dividends and can be sold if you sell your entire share position, and will be liquidated automatically in transfers and certain other situations, but otherwise typically cannot be sold. Dividend payments will be made based on those fractional shares. Proxy materials and voting rights will be proportionate to the partial interest, except in certain types of company reorganizations. In the event of a mandatory reorganization, partial interest will be handled according to the terms of the reorganization. In cases of voluntary reorganization, HTS will act on an account holder's instructions with respect only to whole shares.

Although for dividend reinvestments your regular account statement takes the place of a trade confirmation, you can generally obtain status information the day after the reinvestment date by contacting your Financial Professional.

If you transfer or reregister your account within HTS (for example, by changing from a Traditional IRA to a Roth IRA), you need to re-designate any securities whose dividends you want reinvested.

When feasible, HTS will participate in a program offered by the Depository Trust Company (DTC) that offers a share price discount. Note that the availability of any given security through this program may change without notice. Also note that DTC program transactions sometimes take longer to process: although the transactions are effective as of the dividend payable date, they may not be posted to your account until 10-15 days after the payable date. If you sell your dividend-generating shares before the posting date, the dividend will not be reinvested. If instructions are not received prior to the date there is no guarantee that cash will be reinvested for that pay date. Dividend reinvestment does not ensure a profit on your investments and does not protect against loss in declining markets.

30. Fully-Paid Lending Program. HTS offers to its customers a Fully-Paid Lending Program ("FPL Program") which may allow you to earn income in exchange for lending eligible equity securities to HTS, which are then loaned to other investors and market participants (hereinafter referred to as "Loaned Securities" or "Loaned Security.") Customers who chose to participate in the FPL Program must meet certain eligibility and suitability requirements and are required to enter into a separate FPL Program Application and Agreement which fully describes the terms and conditions, as well as any risks associated with your participation in the FPL Program. HTS may borrow any security in your account custodied at HTS at any time, however there is no guarantee that your securities will be loaned out, which is dependent upon market demand and other factors.

HTS will earn revenue from loaning your securities to other investors and market participants. A portion of that revenue will then be shared with you. In addition, HTS may share a portion of the revenue it earns with your Financial Professional. As a result, we have an incentive to recommend that you participate in the FPL Program. Income on your Loaned Securities is calculated daily based on a stated rate and the Loaned Security's closing market value each business day. Share prices and rates may fluctuate based on market conditions, which will affect the income generated by your Loaned Security. Market conditions, limited supply in the lendable market, demand driven by borrow and short-selling activity, or hedging interest can all impact lending rates. Income will accrue daily and be credited to your account on the second business day following the end of the previous month.

Securities lent out as part of the FPL Program will no longer be eligible for coverage by the Securities Investor Protection Corporation ("SIPC"). However, as collateral, HTS will deposit into an account it has established with Reich & Tang Deposit Solutions, LLC, funds equal to the current market value of your Loaned Securities and not less than 102% of the market value of the Loaned Securities. The cash collateral for your Loaned Securities is insured by the Federal Deposit Insurance Corporation ("FDIC") up to the maximum limits (currently up to \$250,000 per account per person per depository institution). HTS will earn interest income based on the total balance of the cash collateral for your Loaned Securities, however any interest income earned will be retained by HTS and not shared with you.

You acknowledge that when you lend fully paid securities to HTS, ownership of those securities will be transferred to HTS. As such, subject to the FPL Program Agreement, HTS will have all incidents of ownership with respect to the Loaned Securities, including the right to vote and the right to transfer the Loaned Securities to others. You waive the right to vote, provide consents, or take similar action with respect to the Loaned Securities if the record date or deadline for such vote, consent, or other action falls during the term of the Loan. However, you maintain exclusive ownership of any positions which are loaned to Hilltop Securities, and you can sell any position that is on loan at any time.

You understand that any dividends and other distributions paid on Loaned Securities will be paid to HTS. However, HTS will pass on to you any cash dividends and distributions to the full extent you would have been entitled had you not lent such securities to HTS. HTS will deposit such cash dividends and distributions into your account on the same day as HTS receives the cash payment. Such payments constitute a "payment in lieu of a dividend" or a "substitute payment," which may not be eligible for more favorable dividend tax treatment as may have been applied to the receipt of a dividend. You agree that HTS is not required to compensate you for any differential tax treatment between dividends and payments in lieu of dividends. Any non-cash distributions made in respect to a Loaned Security will be deemed added to the loan as of the date of distribution, and HTS will provide you with additional collateral if necessary, in accordance with the FPL Program Agreement.

Upon borrowing a security, HTS will provide you with a written confirmation of the securities borrowed. You will also receive a monthly statement showing all of your current outstanding Loaned Securities from your account that HTS has borrowed, an aggregate amount of Loaned Securities income your account has earned during the month by security and an aggregate income amount of all Loaned Securities income.

Please refer to the FPL Program Application and Agreement as well as the HTS Fully Paid Lending FAQs for additional information and important risk disclosures. Copies of these documents may be obtained from your Financial Professional or online at <https://www.hilltopsecurities.com/disclosures/fully-paid-lending/>.

31. Losses Due To Extraordinary Events. HTS is not responsible, and you agree not to hold HTS liable, for losses caused directly or indirectly by conditions beyond our control, including, but not limited to: war, natural disasters, government restrictions, exchange or market rulings, strikes, interruptions of communications or data processing services, news or analysts' reports, trading volumes, market volatility or disruptions in orderly trading.

32. Order Flow Disclosure. Payment for Order Flow is compensation paid to a brokerage firm by another Financial Professional/Dealer in return for directing some customer orders for execution. Such remuneration is considered compensation to the brokerage firm, and the source and amount in connection with your transaction will be disclosed upon request. This compensation may include non-cash items such as reciprocal arrangements, discounts, rebates or reductions or credits against fees that would otherwise be payable in full by your Financial Professional. Order Routing Statistics required under SEC rules are available on the Internet at www.hilltopsecurities.com.

33. Confirmations. The confirmation contains the complete terms of the trade. While HTS makes every effort to transmit reports of transactions accurately, errors do occasionally occur, especially during periods of heavy volume. If a transaction is not entirely in accordance with your understanding and directions, you must report the error to your Financial Professional in writing or by electronic mail within two (2) days after your receipt of the confirmation. HTS cannot be held responsible for the price as reported to you if your order was executed at another price. Furthermore, HTS cannot be held responsible for reports of transactions that have not, in fact, occurred. As soon as the error is discovered, the correct information will be reported to you as expeditiously as possible.

It is your responsibility to review upon receipt, all confirmations of transactions. If notification is not received within the specified time, you may not later claim the transaction(s) to be incorrect or unauthorized. HTS reserves the right to determine the validity of your objection. HTS may elect at any time to cease sending confirmations for transactions effected pursuant to a periodic plan or an investment company plan. Periodic plan and investment company plan transactions will be provided in Customer account statements.

34. S&P Disclaimer. S&P data or information, including S&P ratings, (the "S&P Content") is provided only for your personal, individual use and not for any use or for the benefit of any other individual or organization; and redistribution of the S&P Content is prohibited without S&P's consent.

35. Worthless and Non-Transferable Securities. Any securities positions for which (i) we are unable to find a market to conduct a liquidation of the security; (ii) we are unable to find an independent transfer agent employed by the issuer to conduct a stock transfer or (iii) costs involved in the sale of the security are greater than the proceeds generated from the sale, may be given a "worthless" status, at which time a Negative Response Letter will be mailed to you at the last known address on file with HTS with specific instructions set forth therein regarding the worthless securities.

36. Access Equals Delivery. HTS has adopted the "Access Equals Delivery" (AED) model that permits securities issuers and their intermediaries to satisfy their prospectus delivery requirements for certain products by making their prospectus available online on the Internet. To obtain electronic copies of notices, offering documents, and other information for available products please visit the websites listed in the Terms and Conditions section of your Trade Confirmation. Printed copies of the final prospectus related to your transactions are also available upon request.

37. Cost Basis Effective January 1, 2011, as a result of the Energy Improvement and Extension Act of 2008, we report your cost basis, short term and long term capital gain/loss information to the Internal Revenue Service (IRS) after the sale of your securities. HTS will use the First In First Out (FIFO) cost basis default accounting method on all lots sold unless you notify your Financial Professional in writing to use an alternate cost basis accounting method. The current Cost Basis regulations phase in changes to Form 1099 B reporting requirements by security category as follows:

- Effective January 1, 2011 shares of stock in a Corporation inclusive of REITs (Real Estate Investment Trusts), Closed End Funds, American Depository Receipts (ADRs) and Exchange Traded Funds (ETFs).
- Effective January 1, 2012 stock in Open End Funds, Regulated Investment Companies (RICs), and Dividend Reinvestment Plans (DRPs) which are eligible for the alternate average basis accounting method.
- Effective January 1, 2014 less complex debt instruments, options, commodity derivatives or any other financial security identified by the Treasury.
- Effective January 1, 2016 more complex debt instruments.

The IRS requires separate 1099 B Forms to be issued to you if you have sold both “covered” and “noncovered” securities. “Covered” securities are defined as stock acquired for cash after January 1, 2011 which is reportable under the new cost basis rules for the tax year 2011, Open End Funds, DRPs and RICs acquired for cash after January 1, 2012 which is reportable under the new cost basis rules for the tax year 2012, and bonds, options, commodity derivatives or any other financial security identified by the Treasury not covered in the current Cost Basis Regulations for the tax year 2012. “Noncovered” securities are securities acquired for cash prior to the effective date applicable to that security type, and are not subject to cost basis reporting.

In addition to reporting your basis amount for “covered” securities we are required to report whether the transaction results in short term or long term characterization. Short sales are reported in the tax year the short position is closed. We are also required to incorporate wash sale rules in basis calculation for identical securities with the same CUSIP number held in the same account, as well as take into account corporate actions for cost basis reporting effective January 1, 2011.

Effective January 1, 2012 we are required to identify all corporations as either a S Corporation or a C Corporation. In addition, we are required to report 1099 B cost basis information for S Corporations for “covered” securities. Sales proceeds, or amounts reported on the 1099 B for S Corporations are subject to backup withholding if we do not have Form W-9. All corporate accounts are considered as S Corporations until we receive a new W-9, which has a new identification feature for C Corporations and S Corporations, effective January 1, 2012.

Please note that if you own securities which are subject to the 2011 1099 B cost basis reporting rules and you do not want your 1099 B long or short term gain/loss reported using FIFO for a specific security, you must notify your Financial Professional on or before settlement date of the sale of the security as to which tax lot you wish sold.

Please be advised if you currently have standing instructions for the accounting method used for “noncovered” securities, HTS needs new, separate additional standing instructions for the accounting method for your “covered” securities acquired in 2011.

As of 2012, mutual funds and securities subject to a dividend reinvestment program may use cost basis averaging as the accounting method. If we are currently averaging the basis of any of these securities acquired before 2012, we plan to make a single-account election pursuant to the IRS regulations and treat those securities as “covered” securities even though acquired before 2012, unless you instruct us in writing to do otherwise, that is, to use another method of basis calculation for those securities acquired in 2012 or later. If you do not elect otherwise, then upon our making the single-account election, any newly acquired securities will be averaged with the older existing securities, as long as acquired in the same account with the same CUSIP number. Unless you contact your Financial Professional and wish to change this single-account election, it may only be done prospectively. If by 2012, we are not currently averaging any of your mutual funds or stock subject to a dividend reinvestment plan, and your accounting preference is not FIFO, we will require your request for an alternate accounting method to be in writing. You may make the average basis election at any time, effective for sales or other dispositions of stock after you notify your Financial Professional. The election must identify each account you have with us and each stock in that account to which the election applies. The election may specify that it applies to all accounts with us including accounts you subsequently establish with us.

The IRS Cost Basis Regulations can be found on the IRS website with these links:

http://www.irs.gov/irb/2010-47_IRB/pt04.html

<http://edocket.access.gpo.gov/2010/pdf/2010-25504.pdf>

http://www.irs.gov/irb/2013-20_IRB/ar07.html

In addition to the Accounting Method election options, the following elections are available to you:

Currently, Hilltop Securities Inc. defers the Market Discount of fixed income market discount accretion. You may choose to recognize Market Discount over the period you own the bond and include it in your income currently as interest income. If you do not make this choice, the following rules generally apply.

- o When you dispose of a bond, you must treat any gain as ordinary interest income, up to the amount of the accrued market discount.
- o You must treat any partial payment of principal on the bond as ordinary interest income, up to the amount of the accrued market discount.
- o If you borrow money to buy or carry a bond, your deduction for interest paid on the debt is limited.

• Hilltop Securities Inc. defaults to the Constant Yield method for the accretion of Market Discount calculation. You may however choose the Straight Line method for the accretion of the Market Discount calculation. Please refer to the IRS Publication 550.

• You may choose to amortize a taxable bond premium (generally done over the life of the bond). A portion of the premium reduces the amount of interest included in your income. Hilltop Securities Inc. by default amortizes taxable bond premium. Please refer to the IRS Publication 550.

Cost Basis Methods

It is your responsibility to choose the cost basis method appropriate to your tax situation. Failure to select the proper cost basis method may cause you to pay more tax than necessary. HTS does not provide tax advice and encourages you to consult with your tax professional regarding this decision.

Default Cost Basis Methods

We apply the IRS default method for fixed income securities unless you inform us of a preferred method.

We do not issue tax advice as you are responsible for accurately reconciling and reporting the sales of your securities impacted by the new cost basis regulations. If you have additional questions, please seek the advice of your CPA or tax professional.

38. Account Statements. You should carefully examine your account statement as soon as you receive it. If you feel that there is an error on the statement, you must notify HTS immediately in writing, but in no event later than 10 days after the date the statement is first made available to you (e.g., eDelivery, Momentum Client or other means provided by Your Financial Professional), on which the error first appeared. If you fail to receive your statement within a reasonable time after it usually appears, contact HTS promptly. Failure to comply with this notification requirement may bar you from claiming on any error involving your account(s).

In addition, you must notify HTS about any unauthorized activity within ten (10) days after the date the statement is first made available to you (e.g., eDelivery, Momentum Client or other means provided by Your Financial Professional), on which the unauthorized activity first appeared. If you do not alert HTS to the first unauthorized transaction in a series of related unauthorized transactions within such notification period, you may be barred from making a claim for any further activity in an ongoing series of unauthorized transactions.

39. Notices and Other Communications. Notices including, but not limited to, initial and maintenance calls, delivered to the Customer's address of record or to the email address provided will be deemed to have been personally delivered to the Customer, whether actually received or not. Any notices requiring immediate verbal delivery left for you on your answering machine, or otherwise, will be deemed to have been delivered to you, whether you actually received it or not.

40. Monitoring and Recording Telephone Conversations and Email. HTS reserves the right to monitor and record any or all telephone conversations and electronic communications between you and HTS and any of HTS' employees or agents.

41. Safeguarding Your Securities. Your assets that remain in HTS' custody are insured against loss from fire, theft and forgery under mandated insurance programs and protected against business failure under the federally backed SIPC.

42. Securities Industry Protection Corporation (SIPC) and Excess SIPC Coverage. HTS is a member of SIPC, which protects the securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). In addition, HTS has purchased Excess SIPC Insurance which covers the net equity of customers' accounts up to an aggregate of \$200 million from underwriting syndicates at Lloyd's of London. This coverage is offered over and above the coverage provided by SIPC. SIPC and Excess SIPC covers accounts of the member firm in the event of a member's bankruptcy or insolvency. SIPC and Excess SIPC Insurance Coverage do not protect against losses due to market fluctuation or any decline in market value of your securities. An explanatory brochure is available at www.sipc.org or by calling (202) 371-8300.

43. Fees and Charges. You understand that HTS and your Financial Professional may charge commissions and other fees for execution or any other service furnished to you, and you agree to pay such commissions and fees, including all associated collection costs. You acknowledge and agree that such commission rates and fees are determined and set by HTS or your Financial Professional and are subject to change at any time. You agree to pay any applicable fees charged by an electronic communications network (ECN), as well as, all applicable federal, state, local and foreign fees and taxes. A schedule of HTS' fees is attached as Schedule A.

44. Satisfaction of Indebtedness. Your securities and other property, in any account in which you have an interest, will be subject to a lien for the discharge of any and all indebtedness or any other obligations. All securities and other property of yours will be held by HTS or your Financial Professional as security for the payment of any such obligations or indebtedness in any account that you may have an interest, subject to applicable law. HTS or your Financial Professional may, at any time and without prior notice to you, use and/or transfer any or all securities and other property in any account(s) in which the Customer has an interest.

Further, you agree to satisfy, upon demand, any indebtedness, and to pay any debit balance remaining when the account is closed. Customer account(s) may not be closed without HTS first receiving all securities and other property for which the account is short, and all funds due for all securities and other property in which the account(s) are long. You further agree to reimburse HTS for any and all expenses.

45. Indemnification and Limitation of Liability. You agree to indemnify and hold harmless HTS, and its officers, directors, employees, agents, financial professionals, and representatives (Indemnified Parties), the company through which your independent brokerage firm clears from any and all claims, losses, liabilities, costs, damages, and expenses, including reasonable attorney's fees, that may be brought, made, or assessed against any Indemnified Parties caused by, arising out of, or resulting from (i) your failure or refusal to follow any directions or instructions from the Indemnified Parties regarding your Accounts, or (ii) the use in any manner by you of the services provided by HTS pursuant hereto, except where such results from the

gross negligence or willful misconduct of the Indemnified Parties. In no event shall the Indemnified Parties be liable to you, or anyone claiming by, under, or through you, or on your behalf, for any indirect, incidental, consequential, or special damages arising from this Customer Agreement.

46. Arbitration Agreement and Disclosures.

The Customer Agreement contains a pre-dispute arbitration agreement 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 WILL TYPICALLY 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 THE CUSTOMER AGREEMENT.

THE CUSTOMER AGREES, AND, BY CARRYING AN ACCOUNT FOR THE CUSTOMER, THE FINANCIAL PROFESSIONAL AGREES, THAT ALL CONTROVERSIES THAT MAY ARISE AMONG THE CUSTOMER, THE FINANCIAL PROFESSIONAL, AND HTS CONCERNING ANY TRANSACTION OR THE CONSTRUCTION, PERFORMANCE, OR BREACH OF THIS OR ANY OTHER AGREEMENT AMONG THE CUSTOMER, THE FINANCIAL PROFESSIONAL AND HTS PERTAINING TO SECURITIES AND OTHER PROPERTY, WHETHER ENTERED INTO PRIOR, ON, OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT BEFORE FINRA OR THE MUNICIPAL SECURITIES RULEMAKING BOARD AND IN ACCORDANCE WITH THE RULES THEN PREVAILING AT THE SELECTED ORGANIZATION. THE CUSTOMER MAY ELECT IN THE FIRST INSTANCE WHETHER ARBITRATION SHALL BE BY FINRA OR THE NYSE, BUT IF THE CUSTOMER FAILS TO MAKE SUCH ELECTION, BY REGISTERED LETTER OR BY OVERNIGHT COURIER ADDRESSED TO THE FINANCIAL PROFESSIONAL AT THE FINANCIAL PROFESSIONAL'S MAIN OFFICE, BEFORE THE EXPIRATION OF TEN (10) DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM THE FINANCIAL PROFESSIONAL TO MAKE SUCH ELECTION, THEN THE FINANCIAL PROFESSIONAL MAY MAKE SUCH ELECTION. THE AWARD OF THE ARBITRATORS, OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. FURTHER, 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 (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 THE CUSTOMER AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

MARGIN DISCLOSURE STATEMENT

This statement is being furnished to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading securities in a margin account, you should carefully review the Margin Agreement provided by your brokerage firm (the Firm). Consult your Financial Professional regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from HTS. If you choose to borrow funds, a margin account will be opened and interest will be charged on amounts borrowed by you from HTS. The securities purchased are collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, HTS or your Financial Professional can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with HTS, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **Interest on Account Balances.** All balances in the Cash and Margin account types will be net together. If the netting results in a settled debit, debit interest will be charged. If netting results in a settled credit, credit interest will be paid. Interest will be charged on those net debit balances that accrue \$1.00 or greater of interest during the month. Please consult your Financial Professional for additional information.
- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to HTS to avoid the forced sale of those securities or other securities or assets in your account(s).
- **The Firm or HTS can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or HTS' higher "house" requirements, HTS or your Financial Professional can sell the securities or other assets in any of your accounts held at HTS to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **Your securities or other assets may be sold without contacting you.** Some investors mistakenly believe that HTS or your Financial Professional must contact the customer for a margin call to be valid, and that HTS or your Financial Professional cannot liquidate securities or other assets in customer accounts to meet the call unless HTS or your Financial Professional have contacted customers first. This is not the case. Most firms will attempt to notify customers of margin calls, but firms are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect their financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, HTS or your Financial Professional has the right to decide which security to sell in order to protect HTS' interests.
- **"House" maintenance margin requirements may be increased at any time without advance written notice.** These changes in HTS' policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause HTS or your Financial Professional to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
- **Please see Schedule A below for additional information regarding HTS' standard margin rates.**

MARGIN & SHORT ACCOUNT AGREEMENT

In consideration for HTS and your Financial Professional opening or maintaining one or more margin accounts on your behalf, you confirm and agree to the following:

1. The terms and provisions of the Customer Agreement apply to accounts of HTS and the Financial Professional/Dealers for which it clears. This provision of the Customer Agreement shall be considered supplementary to the Cash Account Agreement that you have signed. Except as specifically amended by the Customer Agreement, all the terms and conditions set forth in the Cash Account Agreement shall remain effective with respect to your margin account.
2. One of the services provided, is to permit you to maintain a margin account and borrow money on marginable securities using credit extended by HTS. Not all securities are marginable. If you do not know whether the security you plan to purchase is marginable, please consult with your Financial Professional before you make the purchase.
3. A margin account involves HTS extending credit to you based on the marginable securities in your account as collateral. Margin is the amount you pay when you use HTS' credit to purchase a security. At the time that you open a margin account, you must furnish your Financial Professional with the information required for all other accounts, as well as a signed Margin Agreement which contains loan terms and provisions, enabling HTS to pledge or lend securities carried for your account.
4. Margin requirements are twofold. First, there is an initial margin requirement at the time of purchase; and second, there is a minimum margin equity that must be maintained in your account. In most cases, the minimum amount due initially is established by the Federal Reserve Board in accordance with Regulation T. This requirement is expressed as a percentage of the purchase price and it may change from time to time. For example, if the margin requirement is 50%, and you purchase a stock costing \$5,000.00 plus commission, you are only required to deposit 50% of that amount. Under Regulation T, your margin must be deposited into the account by settlement date. The balance due on the purchase will be loaned to you by HTS, and your account will be debited. You are required to pay interest on the amount advanced as you would on any other loan.
5. HTS holds the securities you buy as collateral (unless loaned out as described below) for your debt. Although HTS retains your securities as collateral, you receive credit for all dividends or interest, and you may direct your Financial Professional to sell your stock so long as your account is in good order. The settlement date for purchases and sales of most securities made in margin accounts is usually two (2) business days from the date of the transaction.
6. In addition to the initial margin requirements of the Federal Reserve Board, the NYSE requires a customer opening a margin account to have minimum initial equity of \$2,000 in the account. For example, if your initial purchase of stock costs \$2,400, you will have to deposit \$2,000 rather than \$1,200 which would be required by the Federal Reserve Board (assuming the Regulation T requirement is 50%).

7. The NYSE also sets minimum maintenance requirements. Under present Exchange rules, the margin that must be maintained in an account is 25% of the market value of all securities "long" in the account. The HTS minimum maintenance requirement is 30%. For other securities, such as bonds, there may be a somewhat higher or lower requirement, depending on the security. In accordance with the terms of the Margin Agreement, HTS can increase the margin maintenance requirement at any time, i.e., in cases where there is a lack of diversification in an account's collateral or a preponderance of low priced or infrequently traded securities. If the equity in your account falls below 30% due to a decline in the market value of your securities, it will be necessary for you to deposit additional marginable securities or make cash payment to reduce your indebtedness.
8. If your equity falls below the minimum maintenance requirement established by HTS, you will usually receive a margin call notice informing you of the additional collateral required to bring your account above the minimum level. Further, if HTS considers it necessary, HTS may require you to immediately deposit cash or collateral into your account prior to any applicable settlement date in order to assure due performance of your open contractual commitments. HTS does not have to grant a customer an extension on a margin call. If you fail to meet a margin call, HTS has the right to force the sale of any or all securities and other property in your account; buy any or all securities and other property which may be short in your account; cancel any or all open orders; and/or close any or all outstanding contracts to meet any obligations to HTS. This is at the discretion of HTS and may be done without further notice to or contact with you. HTS reserves the right to select the securities to be sold.
In addition, market conditions may make it difficult for HTS to send you a margin call. The volatility of the market may require HTS to take immediate action without demand for additional collateral, or prior notice of sale or purchase, or other notice or advertisement, to protect HTS' interests. HTS can unilaterally force the sale of securities in a customer's account at any time without being required to contact the customer. It should be noted that prior notices in the form of a margin call should not be construed as a waiver of HTS' right to take immediate action in your account to protect HTS' interests at some future date, without making a margin call.
9. It is important that you understand the nature of the debit balance in your account and how it is computed. A debit balance represents money that HTS has loaned to you. As previously noted, when you purchase securities on margin, you must pay the amount of money required by Regulation T and the balance of the purchase price is loaned to you by HTS. It is this loan portion which creates the debit balance and upon which interest is charged. Each additional purchase made on margin adds to your debit balance, and any other charge that is assessed against your account (including interest charges) increases your debit balance. It is very important to understand that unlike in a cash account, you can lose more funds than deposited in your account if the value of your investments declines.
All securities which HTS may at any time be holding for you or which may be in HTS' possession are subject to a general lien for the discharge of your indebtedness and other obligations to HTS. This lien is equal to the amount of money that you owe HTS or your Financial Professional.
10. You authorize HTS to lend any securities or other property held by HTS in your margin account and to carry such property in HTS' customer loans. Such property may be pledged, repledged or hypothecated by HTS without notice to you, for equal or greater amounts due to HTS. HTS shall have no obligation to retain a like amount of similar securities or property.
11. HTS may loan out (to itself or others) the securities that collateralize your margin debit. If it does, securities are first loaned to HTS prior to lending to others. You may not receive, with respect to securities that are lent, certain benefits that normally accrue to a securities owner, such as the ability to exercise voting rights, or to receive interest, dividends, or other distributions. The individual or entity to which the securities are lent will accrue these benefits except for cases in which the securities are loaned to and held by HTS and not loaned to another party. If HTS holds the lent securities, you will continue to accrue these benefits. Although you may receive substitute payments in lieu of distributions, these payments may not receive the same tax treatment as actual interest, dividends, or other distributions, and you may therefore incur additional tax liability for substitute payments. HTS may allocate substitute payments by lottery or in any other manner permitted by law, rule, or regulation. Currently, these substitute payments are allocated according to the number of shares an account holds, with the larger accounts receiving payment first. Please note that any substitute payments HTS makes are voluntary and may be discontinued at any time. However, at this point in time, substitute payments have never been discontinued.
12. A short sale is a transaction in which you sell a security that you do not own. HTS borrows the security on your behalf for delivery to the purchaser. Prior approval is required on all short sales. There may be certain costs associated with the securities that HTS borrows on your behalf, and you agree to pay such costs, including all associated collection costs. You acknowledge and agree that such costs are determined by the party from which HTS borrows the security, HTS or your Financial Professional and are subject to change at any time. The credit generated by any short sale does not reduce your debit balance for the purpose of computing interest until the short position is covered, either by delivery of the security or by purchasing it. Always bear in mind that your short credit may be reduced substantially, or possibly lost altogether, when you cover your short credit may be reduced substantially, or possibly lost altogether, when you cover your short position by purchasing the security. There are special margin requirements on a short sale. NYSE rules presently require for maintenance margin on short sales: (i) \$2.50 per share or 100% of the current market value, whichever is greater, of each stock short in the account selling at less than \$5 per share, or, (ii) \$5 per share; or 30% of the current market value, whichever is greater, of each stock short in the account selling at \$5 per share or above.
13. If the security that you sold short appreciates in market price over the selling price, interest will be charged on the appreciation in value. If the security that you sold short depreciates in market price, interest on any debit balance in your account is reduced in relation to the depreciation in value. The daily closing price is used to determine any appreciation or depreciation of the security sold short. This practice is known as "marking-to-the-market".
The annual rate of interest which HTS charges on your debit balance is determined by HTS' cost of borrowing money and other factors. Your rate of interest may be changed without notice. Please see Schedule A below for additional information regarding HTS' standard margin rates.
14. Interest on margin accounts will be charged on the settled margin balance in your account. The annual rate of interest which will be charged on your settled margin balance may vary from the HTS Base Rate, depending on the amount of the settled debit balance in your account. Each day this interest is accumulated into a monthly total. The normal interest period ends on the last business day of the monthly statement cycle. Interest is computed by multiplying the daily debit balance by the daily interest rate (1/360 of the annual interest rate) times the number of days in the interest period. If during any interest period there is a change in interest rates, applicable to your account, separate computations will be made for each interval in which there is a change in the rate during the interest period. When the rate changes during an interest period, a blended rate will be calculated based on the number of days each interest rate is in effect during that period.
15. I acknowledge that I have read, understand, and agree to be bound by the pre-dispute Arbitration Clause contained herein.

OPTION ACCOUNT AGREEMENT

In connection with any transactions in Put and Call options (including combinations of the two) that HTS and/or your Financial Professional may handle, purchase, sell, and/or endorse for your account, you confirm and agree to the following:

1. The terms and provisions of the Customer Agreement apply to accounts of HTS and the Financial Professional/Dealers for which it clears. This provision of the Customer Agreement shall be considered supplementary to the Cash and Margin Agreement(s) (if applicable) that you have signed. Except as specifically amended by the Customer Agreement, all the terms and conditions set forth in the Cash Account Agreement and the Margin & Short Account Agreement shall remain effective with respect to your option account.
2. By signing the Option Agreement, you acknowledge your understanding of the risks involved in dealing in options. Where the term "option" is used, this includes all standardized Put and Call options issued by the Options Clearing Corporation.
3. You acknowledge receipt of the current Options Clearing Corporation Disclosure Document and the Special Statement for Uncovered Option Writers, if applicable, and confirm that all your option transactions are subject to the rules and regulations of the Options Clearing Corporation, the appropriate option exchange, FINRA, and any additional terms and conditions which may be imposed.
4. You agree that acting alone or in concert with others, you will not exceed the position and exercise limits imposed by the Options Clearing Corporation or other regulatory bodies. You further understand that it may be necessary to report your position in a class of options having the same underlying security to the proper regulatory authority, indicating your name, address, and Social Security number.
5. You acknowledge that you have furnished your Financial Professional with your financial information and investment objectives. Should your financial situation or investment objectives change, you will notify your Financial Professional immediately. HTS or your Financial Professional reserve the right to deny, revoke or discontinue option privileges on any account.
6. You acknowledge that HTS or your Financial Professional have the right to determine whether an order is acceptable, as well as, the position limits that HTS or your Financial Professional are prepared to undertake for your account.
7. You acknowledge that both the purchase and sale (writing) of Put and Call options involve a high degree of risk and are not suitable for all investors. You are aware that you should not purchase an option unless you are able to sustain a total loss of the premium (cost of option) and the costs associated with purchasing the option. Further, you are aware that you should not sell (write) an option unless you own the underlying security or are in a position to assume the substantial risks inherent in writing "naked" options. You agree not to hold the financial professional liable for any loss incurred due to the purchase or sale of such securities.
8. You are aware that when you purchase an option, you must pay the full premium and that an option purchase cannot be margined. In addition, there are special margin requirements governing the sale of options with which you will become familiar before commencing an option program. Complete details on the margin requirements for options are available through your Financial Professional.
9. As additional consideration for the opening sale of Call option(s) for your accounts, you agree that you will not sell, during the life of such option(s), the underlying collateralizing securities until such option(s) are closed, exercised, expire, or you have been approved for and have met the collateral requirements established by the financial professional for carrying Uncovered Call

options. You also agree that the financial professional, in the financial professional's sole discretion, may refuse any orders to sell such underlying securities which the financial professional receives from you or by means of a "give-up" basis through another financial professional unless, prior to such sale, you have met the collateral requirements established by the financial professional for carrying Uncovered Call options. The financial professional has the right, at the financial professional's sole discretion, to permit you to apply the proceeds of such sale to collateral requirements.

10. Since option contracts are traded for a specified period of time and have no value upon expiration, you agree to advise your Financial Professional if you wish to enter offsetting transactions by closing out your position or exercising the option prior to the expiration date. Failure to do this may result in the option expiring worthless, even though it might have a monetary value on the expiration date. You understand that you bear full responsibility for taking action to exercise or sell valuable options. In the absence of you notifying the financial professional to exercise a valuable options contract by 3:00 PM, CST, on the last business day prior to expiration date of the options contract, you agree that the financial professional may exercise the options contract on your behalf. This is in no way to be construed as an obligation on HTS' part to sell or exercise such options on your behalf.
11. You acknowledge that you are aware that all short American-style option positions are subject to assignment at any time and that European-style option contracts are only exercisable on the option's date of expiration. Since an American-style option provides an investor a greater degree of flexibility than a European-style option, the premium an American-style option is at least equal to or higher than the premium for a European-style option which otherwise has all the same features.
12. When HTS receives an exercise notice from the Options Clearing Corporation, HTS assigns the notice to a customer who is a writer of an identical option contract. Exercise assignment notices for option contracts are allocated among customer short positions pursuant to a procedure that randomly selects from among all customer short option positions that are subject to exercise. All short options positions are liable for assignment at any time. A more detailed description of HTS' random allocation procedure is available upon request.
13. If an exercise notice is assigned to your account, you must deliver the underlying security to HTS in the case of a Call, and deposit funds or securities with HTS in the case of a Put, sufficient to properly margin the security promptly.
14. I acknowledge that I have read, understand, and agree to be bound by the pre-dispute Arbitration Clause contained herein.

INVESTMENT OBJECTIVES

To ensure that you, the Customer, and HTS have a mutual understanding of the meaning of the investment objective terminology utilized on the New Account Application, the terms and corresponding definitions are contained therein. Please discuss any necessary clarifications of those terms with your Financial Professional.

MUTUAL FUND BREAKPOINT DISCOUNT DISCLOSURE STATEMENT

When investing in mutual funds it is important to understand sales charges, expenses, and management fees, as well as breakpoint discounts. For general information about these fees and discounts, please refer to the Mutual Fund Breakpoint Disclosure Statement located at www.hilltopsecurities.com. To request a copy of this disclosure by mail or fax, please contact your Financial Professional.

MUNICIPAL CLIENT EDUCATION AND PROTECTION

HTS is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Additional information regarding these organizations may be found at www.sec.gov and www.msrb.org. A municipal investor brochure is posted on the website of the Municipal Securities Rulemaking Board that describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority. Registration with the organizations does not imply any endorsement or approval has been granted to HTS.

SCHEDULE A: COMMISSIONS AND OTHER FEES

Your Financial Professional will set the commissions or miscellaneous fees, if any, to be charged to you on security transactions reflected on your confirmation. You should consult your Financial Professional for details of his commission charges. Commission and fees are subject to change without notice. Please contact your Financial Professional with any questions. Additional fees may apply.

Interest: HTS reserves the right to charge interest on: (i) payments to you before the settlement date on securities; (ii) payments to you for securities sold where good delivery of securities has not been made; and (iii) on debit balances where payment has not been received from you on or before the settlement date on securities purchased.

The fee schedule below lists the fees that your Financial Professional may be charged by Hilltop Securities Inc. Your Financial Professional may have different fees and charges, and your Financial Professional should disclose those to you in writing.

MONEY MARKET	
Vision Check - Reorders	\$15
Vision Check - Rush Orders	\$22.50
Vision Check - Stop Payment	\$25
Vision Check - Returned Check	\$25
Vision Check - Photocopy of canceled check	\$10
Vision Check Writing Termination	\$25
Visa Platinum Debit Card - Annual Fee	\$50
ACCOUNT TRANSFER/DELIVERIES BETWEEN BROKER DEALERS OR OTHER AGENTS/MUTUAL FUND COMPANIES	
Account Transfer Fee (ACAT)	\$100
Account Transfer Fee (Non-ACAT)	\$150
Delivery of Book Entry Securities (Per Issue)	\$25
Receipt/Delivery of Foreign Securities	\$100
GENERAL	
Wire Transfer - US Bank	\$20
Wire Transfer - Foreign Bank	\$50
Prepay Fee	\$20
Cleared Check Copy	\$20
Stop Payment	\$25
Returned Deposit Item	\$35
Returned Outgoing Wire Transfer Fee	\$25
Accommodation Fee	\$25
DELIVERIES - MINIMUM FEES	
Regular Next Day	\$25
Priority Next Day	\$30
Saturday Delivery	\$40
Foreign Address	\$60
USPS Priority Mail	\$6
CERTIFICATES, DRS, DWAC, W/T & PROCESSING	
Low-Priced/Large Quantity Review/Processing Fee	\$300*
Legal Transfer Fee	\$50*

Non-Equity Physical Processing Fee	\$150*
Non-DTCC Eligible Receipt/Delivery	\$100*
RVP/DVP Fee	\$50*
Certificate Handling Fee	\$50
DRS Deposit/Withdrawal	\$50*
DWAC Deposit/Withdrawal	\$75*
Exercising Employee Stock Options	\$50*
Canadian Deposit	\$150*
Foreign Deposit	\$250*
Canadian Settlement	\$50*
Foreign Settlement	\$100*
Transfer Agent Fee	Pass through fees*
DTCC Deposit	\$12
DTCC Legal Deposit	\$50
DTCC Withdrawal by Transfer	\$500
DTCC/TA Reject	\$125
DTCC DRS Reject	\$75
DTCC New York Window Settlement	\$50*
DTCC Envelope Settlement Service	\$35
OTHER FEES	
Customer Research or Document Reproduction Fee	\$25 per hour
Annual Safekeeping Fee	\$50 per position
Bond Fees (Purchase or Sale)	\$5 for T-Bills and \$15 for T-Notes, T-Bonds and other Government Instruments
Redemption / Termination	\$25
Corporate Action Deposits	\$90
Corporate Action Physical Certificates	\$6*
Foreign Tax Elections	\$50
Mandatory Corporate Action	\$10 per event
Mutual Fund Positions Networking Fee	\$50
Mutual Fund Transaction Fee	Service fees may be charged
Option Reporting Fee	\$0.04 per contract
Private Placement /Limited Partnership Annual Safekeeping fee	\$100
Private Placement /Limited Partnership Re-registration of any kind	\$75
Private Placement /Limited Partnership Transfer in Purchase and Sale	\$75
Voluntary Corporate Action Instruction	\$50 per instruction
IRA	
Annual Fee	\$45
Account Termination	\$50
OTHER RETIREMENT ACCOUNTS	
Qualified Plans	\$250 Primary Annual
HOLDING and REPORTING FEE	\$50
*Pass through fees may include, but are not limited to, charges from DTCC, transfer agents, third party custodians and foreign exchanges.	
The HTS Margin Base Rate is:	10.24+

HILLTOP SECURITIES INC. BUSINESS CONTINUITY PLANNING DISCLOSURE

Hilltop Securities Inc., ("HTS"), provides services using computer systems and financial relationships. The events of September 11, 2001 emphasized the importance of the capital markets to our economy. As a result, we have been working to improve our responses to various situations that have the potential to impact our ability to serve you. This disclosure document is designed to provide you with information on how we have approached and/or plan to approach various situations that we may encounter.

Overview of Hilltop Securities Inc.

Hilltop Securities Inc., a Member Firm of the New York Stock Exchange, is a full-service brokerage firm providing customers with execution services on all major exchanges and access to all major markets. In addition, HTS performs, as agent, certain execution and clearing functions for independent brokerage firms. These functions are provided primarily in Dallas, Texas with various financial professional, trading, stock-loan and investment banking offices located in other locations in the United States.

HTS uses various mission critical systems to provide these services to our customers. These systems are housed at one of our data centers, one of our offices, or at a third party service provider, exchange or utility.

Our business continuity planning ("BCP") first insures the safety and security of our employees. The events of 9/11 emphasized the unique skill sets of personnel who work in our industry and the need to put their safety first so that after an interruption they are available to continue serving our customers. In addition to protecting our personnel, our BCP and daily operations are focused on preserving our critical firm and customer data through regular backups which are moved offsite either via media and/or real time and near real time electronic copies of our data at remote locations. In 1996 we added a second data center in one of the suburbs of Dallas which houses our backup hardware/software, real time data copies and back office recovery space. We have constructed high bandwidth networks between our two data centers allowing us to utilize the resources of both centers during normal production, as well as facilitating the real time movement of data from the primary data servers to the backup data servers. Finally, our industry is heavily interconnected with data connections ranging from dial-up modem communication, dedicated private lines, frame relay technology and, in many cases, the Internet through encrypted sessions. Where mission critical systems are involved, we have installed, where possible, redundant connections to the exchanges, utilities and counterparties involved.

Business Continuity Planning Response Scenarios

The details of our BCP are proprietary and contain information which is confidential and in many cases potentially harmful to HTS and our customers if publicly available. The following series of event scenarios are presented to disclose to you our planned approach for dealing with a variety of hypothetical Significant Business Disruptions ("SBD's"), but based on the number of variables present in each situation, HTS can't guarantee we will follow these plans.

Scenario: An event occurs that, like 9/11, causes the complete shutdown of securities trading, clearance/ settlement or other banking services nationwide. (Impact: Nationwide) HTS plans to continue business during this type of event and will await the reopening of the affected institutions. Unless a securities industry holiday is declared, we plan to be open each business day until full functionality is restored. The recovery time in this scenario will be dependent on the timing specified by the impacted organizations. We plan to be ready to open when they reopen.

Scenario: A specific exchange is unable to trade. (Impact: Nationwide) HTS plans to continue business during this type of event and will route its order flow away from that exchange to alternative exchanges for the securities that exchange trades. Our recovery time objective for this scenario is less than one hour.

Scenario: One of our major telecommunications vendors loses a key central office or service offering. (Impact: Nationwide and/or firm only) HTS plans to continue business during this type of event and will use alternative dialing plans (e.g. placing/receiving local calls through a long distance vendor different from the failed vendor), backup lines from a different vendor for mission critical data applications (e.g. use the Sprint backup connection to an exchange when AT&T is down). Our planned recovery time objective is less than four hours.

Scenario: The power grid (ERCOT) that serves the majority of our Texas locations is down. (Impact: Regional) HTS plans to continue business during this type of event and will utilize the backup generators that are located at both the primary data center location and the backup data center location to power our operations during the outage. Where necessary, we will relocate personnel among our facilities to compensate for any workspace outages. Our planned recovery time objective for power to our data centers from the backup generators is less than fifteen minutes. If we are required to activate our business resumption space for operations recovery, the planned recovery time objective is four hours for mission critical functions.

Scenario: Our headquarters location is closed. (Impact: Single building, city wide, business district) HTS plans to continue business during this type of event and will transfer its mission critical activities to the backup data center and our other offices and affiliate offices. Assuming no access to and no power to the building, the planned recovery time objective for mission critical activities is four hours. Our planned recovery times for business resumption may be negatively impacted by the unavailability of external resources and other circumstances beyond our control. In the event of a significant business disruption, Hilltop Securities Inc. will supply additional information at 866-SWS-5BCP (866-797-5227).

Scenario: Your Financial Professional/Dealer firm which clears through Hilltop Securities Inc. experiences a significant business disruption and cannot be contacted. HTS has set up operational procedures to assist the clients of Financial Professional/Dealers for which we clear. For more information please go to www.hilltopsecurities.com.

Updates to this disclosure

As we continue to test our plans and as conditions in our firm and the industry change, we will continuously revise the plans as considered necessary. Whenever we update this disclosure document we will promptly place a copy of it on our website. You may request a hard copy of this disclosure in its current revision be sent to you at any time by mail.

Hilltop Securities Inc.
717 N. Harwood Street, Suite 3400
Dallas, TX 75201
Member NYSE, FINRA, SIPC

INTRODUCTION

Integral Financial LLC (INTEGRAL), is a full service broker-dealer registered with the United States Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, a member of the Financial Industry Regulatory Authority, a state of California registered investment adviser and a member of the Securities Investor Protection Corporation.

INTEGRAL provides brokerage services to retail investors like you. Brokerage and investment advisory fees differ and it is important for the retail investor to understand the differences. Note that free and simple tools are available at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

INTEGRAL and its financial professionals can provide you brokerage services and your financial professional has the appropriate license. If you choose to hire INTEGRAL and your financial professional to provide the services, INTEGRAL will establish one or more accounts for you such as Individual, Joint Tenants with Rights of Survivorship (JTWROS), Trust, Traditional IRA, Roth IRA, SEP IRA and Health Savings Account (HSA), etc.

If you hire INTEGRAL to provide brokerage services, INTEGRAL provides the following:

- INTEGRAL provides brokerage services as a broker-dealer, which is selling and buying securities such as stocks, options, fixed income products and mutual funds, etc.;
- Upon request, your financial professional will recommend that you buy, sell or hold securities;

Integral does not have account minimums and does not provide account monitoring services.

Your account may be invested in a variety of securities including stocks, bonds, mutual funds, exchange-traded funds and other publicly-traded securities. You are not able to invest in every fund available in the marketplace. However, INTEGRAL makes available several hundred mutual funds and exchange traded funds in which you may invest. Integral does not offer proprietary products.

Questions to ask:

Given my financial situation, should I choose a brokerage service? Why or why not?

How will you choose investments to recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

WHAT FEES WILL I PAY?

Commissions/Mark-Ups/Mark-Downs: A commission is a dollar amount INTEGRAL receives each time it buys or sells a security other than a mutual fund when INTEGRAL acts as your agent. These fees are paid from your account. A mark-up is the difference between what INTEGRAL charges you for the security and the value of the security when INTEGRAL sells you a security. A mark-down is the difference between the price INTEGRAL pays you for the security and the value of the security when INTEGRAL purchases the security from you.

Loads and Contingent Deferred Sales Charges: A dollar amount INTEGRAL receives each time it purchases or redeems a mutual fund share. These fees reduce the amount of shares you receive when you purchase a fund's shares and reduce the number of shares you receive when you redeem the fund's shares.

Other Mutual Funds Fees: The "12b-1fees" are fees paid by the mutual funds to INTEGRAL for selling the funds. The mutual funds also pay INTEGRAL "shareholder servicing fees" and "sub-transfer agent fees" for the provision of other services. All of these fees are based upon a percentage of the INTEGRAL client assets invested in the mutual funds. These fees are not paid from your account, but rather are paid from the mutual fund. The result of such fees is that the value of fund shares held in your account decreases.

Other Fees: INTEGRAL will charge fees for a number of services it provides that are part from the brokerage we describe above. For example, we charge fees for maintenance of certain accounts, like individual retirement accounts, and to process certain kinds of transactions, like account withdrawals and transfers.

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 are paying.

INTEGRAL FINANCIAL LLC
CUSTOMER RELATIONSHIP SUMMARY

December 2023

Questions to ask:

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?

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE? HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

When we provide you with a recommendation as your broker dealer, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect your investment decisions.

The following are some examples of the conflicts of your interests:

Your financial professional is paid a salary and can earn a bonus at year-end based on INTEGRAL'S profitability. INTEGRAL earns fee revenue, including commissions, mutual fund loads, contingent deferred sale charges and 12b-1 fees when your financial professional provides brokerage services. Therefore, your financial professional has an incentive to encourage you to buy and sell securities more frequently in order to increase their compensation.

Your financial professional also has an incentive to encourage you to move your account from another firm to INTEGRAL or from your retirement plan to INTEGRAL in order to increase INTEGRAL or his/her own compensation.

INTEGRAL may recommend that you purchase securities INTEGRAL owns and INTEGRAL may recommend that it buy securities that you own. Such transactions are called "principal transactions". INTEGRAL has an incentive to sell securities to you at a higher price that it could get from a person who is not an INTEGRAL customer. INTEGRAL also has an incentive to purchase securities from you at a price lower than it could get from a person who is not an INTEGRAL customer.

INTEGRAL may only make available to retail investors mutual funds that pay shareholder servicing fees and sub-transfer agent fees. INTEGRAL has an incentive to limit the mutual funds INTEGRAL may recommend or in which we may invest to those mutual funds willing to make such payments.

INTEGRAL enters into agreements with investment managers or sponsors of investments that pay us a portion of their revenue. INTEGRAL has an incentive to limit the managers and investment sponsors available to you (or to recommend such managers and sponsors) to those who enter into such agreements.

For additional information, please see our [Regulation Best Interest disclosure document](#) or visit our website at www.infi.biz where this document is listed. If you need a paper copy, please call or office at 408 996-1118.

Questions to ask:

How might your conflicts of interests may affect me, and how will you address them?

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Our Firm and some of our financial professionals have disciplinary History. You can go to <https://www.investor.gov/CRS> and <https://brokercheck.finra.org/> to research INTEGRAL and your financial professionals for more details.

Questions to ask:

As a financial professional, do you have any disciplinary history? For what type of conduct?

ADDITIONAL INFORMATION

You can find additional information about the services we provide, fees you pay, and conflicts of interest in INTEGRAL's Brokerage Services Disclosure Brochure and INTEGRAL's Client Information Brochure. Your financial professional will provide you a copy or visit our website at www.infi.biz. You may also call 408-996-1118 to request up-to-date information.

FORM CRS EXHIBIT
December 2023
Summary of Material Changes
Integral Financial LLC

- In the Introduction section on page one, we indicated that Integral is registered with the State of California as an investment advisor.
- On page one, in the *What Investment Services and Advice Can You Provide?* section, the following statements were added:
 1. “Integral does not have account minimums and does not provide account monitoring services.”
 2. “Integral does not offer proprietary products.”
- On page 2 in the *WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE? HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?* section we clarified that Integral staff are paid a salary and year-end bonus, added the following question to ask: *How might your conflicts of interests may affect me, and how will you address them?* And added a link to our Regulation Best Interest document.

REGULATION BEST INTEREST DISCLOSURE

Integral Financial, LLC (“Integral” or “Firm”) is dually-registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and as an investment adviser with the State of California; however, the Firm is not presently offering investment advisory services.

As a valued brokerage client of Integral, you are receiving this Regulation Best Interest Disclosure to help you better understand the brokerage services we provide and the scope and terms of our brokerage relationship with you. Together with certain additional information that our Firm and your individual Integral financial professional will provide to you prior to or at the time we recommend a specific securities transaction (or investment strategy involving securities) for your brokerage account, this Disclosure is intended to satisfy certain requirements that apply to us under the SEC’s Regulation Best Interest.

You should read this Disclosure carefully, and as always, we encourage you to contact your Integral financial professional if you have any questions.

Specifically, this disclosure provides you with important information about the scope and terms of our brokerage relationship with you, including:

- the capacity (as your broker) in which we are acting when we recommend account types, securities, or strategies involving securities, to you;
- the type and scope of our brokerage services, including our overall investment philosophy and approach;
- material fees and costs that apply to your transactions, holdings, and accounts;
- material limitations on our brokerage services and recommendations; and
- conflicts of interest associated with our recommendations as your broker.

The discussions in this Disclosure apply to our brokerage services, and not our investment advisory services. Likewise, they apply to our relationships with “retail” customers. This means individuals (including their legal representatives) to whom we provide investment recommendations that are used primarily for personal, family, or household purposes. When we provide investment recommendations and other services to, or on behalf of, other types of investors (for example, corporations, pension plan trustees, etc.), different rules may apply.

OUR CAPACITY AS YOUR BROKER

All recommendations of securities transactions (and investment strategies involving securities) that are made by Integral and your Integral financial professional regarding your brokerage account will be made in our Firm’s capacity as your brokerage firm, and your financial professional’s capacity as an associated person of a brokerage firm, respectively.

As explained in our Firm’s Form CRS (Customer Relationship Summary), there are important differences between brokerage and investment advisory services and fees. It is important for you to understand that, where we provide you with brokerage services (i.e., a brokerage account) we are not acting as your investment adviser. As your broker – we are compensated through commissions and other transaction-based charges.

TYPE AND SCOPE OF OUR BROKERAGE SERVICES

As explained in our Customer Relationship Summary, as your broker-dealer we buy and sell securities and other investment and insurance products for you. As part of our services, we can provide you with investment recommendations. In all cases, you make the ultimate decision regarding the purchase or sale of investments. From time to time, your financial professional may review the holdings in your brokerage account to determine whether or not to make additional recommendations, but we do not monitor your brokerage account investments after purchase. We do not impose account or investment minimums to open a brokerage account, but some funds and other investment products we make available do impose minimum investment requirements.

We offer different types of brokerage accounts. For example, we offer accounts such as Individual, Joint Tenants with Rights of Survivorship, Trust, Corporate accounts, Traditional IRA, Roth IRA, SEP IRA, Health Savings, and Coverdell Education Savings accounts that are held at our clearing broker Hilltop Securities. We offer accounts that allow you to trade option contracts, and to otherwise invest on margin (i.e., through borrowed funds). In other cases, brokerage assets may be in “direct-held” accounts – for example, IRAs or other accounts held directly by and with a mutual fund family, or a state’s 529 (College Savings) Plan.

Margin Lending. We offer a margin lending service for your brokerage account (a “margin account”). Margin lending means that you borrow money from us to invest. You will need to use a margin account if you trade uncovered option contracts, or in certain other situations.

Cash Sweep. We offer a “cash sweep” program for uninvested cash in your brokerage account. Under our program, uninvested cash is automatically “swept” into accounts held with various third-party banks who are FDIC-insured. These participating banks pay interest on these deposits – part of the interest is credited to your account, and part of the interest is paid to Integral for our administration and management of the program.

Our General Investment Philosophy and Approach. Our belief is that investing should be personalized for each client. We do not believe in a “one size fits all” approach. Also, it is not our philosophy to limit the investments we offer and recommend to a narrow menu. While we believe that not every investment is suitable for every investor, our preference is to offer a wide variety of options for you to choose from, and to allow your Integral financial professional to help you construct a unique portfolio that suits your needs and preferences.

When your Integral financial professional recommends securities, or strategies involving securities, to you, he or she will consider the potential risks, rewards and costs in light of your investment profile. Your “profile” includes your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information you share with us. And, your Integral financial professional will only make a recommendation to you if – at the time of the recommendation – he or she has a reasonable basis to believe that it would be in your best interest, and would not place our Firm’s interest (or the financial professional’s interest) ahead of yours. Before Regulation Best Interest Disclosure recommending a particular investment to you, we will also consider other reasonably available alternatives.

MATERIAL FEES AND COSTS

If you engage Integral to provide you with brokerage services, you will pay certain fees and costs.

Some fees and costs are charged to your brokerage account for various services and expenses that do not necessarily depend on the specific investments you select. They include, but are not limited to, the following:

- Each time you buy or sell a stock or Exchange-Traded Funds (ETFs) investment on-line, we will charge you a \$9.95 transaction fee to help offset certain expenses we incur relating to settlement and clearance of your trade. Should you call in and speak with a firm representative to enter a buy or sell order in a stock investment the transaction fee is \$32.
- For orders in options, those entered on-line are charged \$9.95 per order plus \$1.75 per contract. Options orders entered over the phone are charged \$32 and \$2 per contract.
- For IRAs held at through Integral, we do not charge an initial fee to set up the IRA but do charge an annual fee of \$45 to compensate us for our custody, administrative and other services.
- We will charge you a fee for each wire transfer we process – \$20 for domestic wires and \$50 for international wires.
- If you open a margin account, you will be charged interest on the funds that are lent to you for investment. Typically, the annual interest rate is between 5.5% and 7.5% depending on the amount you borrow, and certain other factors.
- Within our cash sweep program, we retain a portion of the interest paid by the participating banks for our administration and management of the program. Theoretically, the annual interest rate we receive could be up to 5%, but typically is between 0.0% and 1.5% depending on the current market interest rates and other factors.

Before we open a brokerage account for you, we will furnish you with a comprehensive list of account related fees charged by our clearing firm, Hilltop Securities. The fees listed above are offered as examples, and are not an exhaustive list.

You will also pay – directly or indirectly – certain additional fees and costs that are particular to certain investments and investment transactions. Below we summarize the material fees and costs associated with several types of investments insurance products that Integral and our financial professionals may recommend and sell to you as a retail customer. If we recommend an investment to you that is not addressed below, you will receive information about material fees and costs at the time or before the recommendation is made. Further, in many cases (and as required) we will provide additional, more detailed information with respect to the fees and costs associated with any specific investment or insurance product we recommend to you.

Mutual Funds. Mutual fund shares come in different classes, each with different fees and fee structures. The specific fee and fee structure of each share class, including the amount charged and when it is collected, vary depending on the particular mutual fund and are described in the mutual fund's prospectus. Not all share classes are available to all account types and/or investment strategy programs. The principal differences among the classes are the fees and expenses charged by the mutual fund. Fees and expenses in a mutual fund reduce the net asset value of the fund and the investment return. You

should review the fund prospectus prior to purchasing a mutual fund; a copy of each fund prospectus is provided with your confirmation.

- **Up-Front Sales Charges** – You will pay up-front sales charges to the applicable mutual funds upon the purchase as described in the prospectus. Many mutual funds allow for a reduction or waiver of the up-front sales charge based upon, among other things, the amount of your total investments in the particular mutual fund family, investor type, as well as the type of account in which the assets are invested. The sales charges range from 0% to 5.75% and reduce the amount of your principal investment.
- **Back-End Sales Charges** – These are sales charges that are applied by the applicable mutual fund upon the sale of a mutual fund share within a specified number of years (varies by prospectus). These sales charges are also referred to as Contingent Deferred Sales Charge or CDSC. These charges generally range from 1% to 5.5%, and typically are 4% for B shares and 1% for C shares. These charges can be reduced or eliminated based on how long the shares are held as described in the prospectus.
- **12b-1 Fees** – Many mutual funds pay a 12b-1 fee to Integral directly from the fund's assets on a monthly or quarterly basis. Like other fees and expenses in the mutual fund, the payment of 12b-1 fees reduces the investment return. The amount of the 12b-1 fees paid varies among funds and share classes but is disclosed in the fund prospectus. The typical ranges for 12b-1 fees for A shares is between .15%-.50%, B shares .85% to 1.00%, and C shares .75% to 1.00%.

In addition, when you invest in a mutual fund, you will pay (indirectly, through deductions from your investment) your pro rata share of the investment management fees, auditor fees and other ongoing expenses incurred by the fund. Expressed as an annual percentage, these expenses are referred to as the fund's expense ratio. Fund expense ratios differ significantly, but on average, independent data indicates that expense ratios for index (passively-managed) mutual funds usually average about 0.2%, while expense ratios for most actively-managed funds range from 0.5% to 1.0%, and in some cases may be as high as 2.5%. A fund's expense ratio, sales charges and other important information are described in its prospectus. We encourage you to carefully review a fund's prospectus before investing.

Fixed Income Securities (Bonds) and Certificates of Deposit (“CDs”). For securities purchased or sold in the secondary market, we will typically act in the capacity of a principal. As a principal, we execute trades on a riskless principal basis. Essentially, this means that when you enter an order for a fixed income security Integral goes to the market to purchase or sell that security. The security purchased or sold is placed into the firm's inventory account and is simultaneously sold out of the account with commission-equivalent fee charge referred to as a mark-up (when you buy) or a mark-down (when you sell). As a percentage of the purchase or sale, our total mark-ups and mark-downs will typically average between 0.05% and 2.00%.

If your Integral financial professional recommends a new issue bond or CD to you, you will be furnished with an offering document which will include details on the compensation we would receive, and a number of other important matters.

Options. You pay a commission to buy or sell an option based on the number of contracts you trade. For any given dollar amount of total trading, a small number of large trades will usually cost you less money than a large number of small trades. The commission amount will be reflected on your trade confirmation. You should understand that, if the option is exercised, you may also pay a commission for the underlying security transaction as well, which is in addition to the option commission. You will also pay interest on margin borrowing you use to trade options in your brokerage account.

529 (College Savings) Plans. When you make contributions to a state's 529 Plan, your contributions are invested among various underlying investment options from which you choose. Typically, 529 Plans have share class structures (i.e., Class A vs. Class C), and pay us sales charges and trails, that largely mirror those of mutual funds – you may wish to review the discussion of Mutual Funds above. For example, as a percentage of the amount contributed, (similar to mutual funds) most 529 Plans charge typically averages between 0% and 5.75%. In addition to the compensation we receive for selling 529 Plans, you will pay additional fees and costs such as program management fees and maintenance fees, which are deducted from your underlying investment options. More detail about the sales charges and other fees and costs associated with a state's 529 Plan (and other important information) is provided in its offering document, which we encourage you to carefully review before making contributions.

Structured Products. For newly issued structured products, you will pay the offering price listed in the prospectus. The offering price includes a “selling concession” which is what is paid to Integral for the distribution of the product. The selling concession is the difference between what we purchase the product for and what we sell the product for to the public. The offering price also includes costs and fees of the issuer associated with the structuring of the product.

For structured products purchased or sold in the secondary market, you will pay a mark-up (for purchases) or a mark-down (for sells) that consists of the commission as well as the percentage of the of the principal amount that the Integral trading desks includes as part of the transaction. This markup or mark-down typically ranges between 1% and 3%. Generally, structured notes do not trade frequently on the secondary markets, meaning you may need to hold the note until maturity. More detail about the various fees and costs associated with an investment in a specific structured note (along with other important information) is provided in its prospectus. We strongly encourage you to carefully review a structured note's prospectus before investing.

Variable Annuities and Variable Life Insurance. If your Integral financial professional is licensed to sell annuities and other insurance products, he or she may recommend that you purchase a variable annuity or a variable life insurance policy. Variable annuities and variable life insurance policies are regulated by the SEC as securities (in addition to state insurance regulation). The value of the contract is based on the investment options, such as sub-accounts or directly into the general account of the insurance company that manages the investment portfolios that you selected. If you buy a variable annuity or life insurance policy through Integral, we will receive an insurance commission from the issuing insurance company. The commission ranges from 4% to 7%. In many cases, the insurer will also pay us trail compensation for ongoing services and maintenance as long as you continue to hold the annuity or policy, which will not exceed 1.5% annually. Like mutual funds and 529 Plans, many variable annuities offer different share classes. Typically, some share classes will pay us higher up-front commissions but lower trails, while others will pay lower up-front commissions but higher trails.

With any purchase of a variable annuity or variable insurance policy, the single most significant cost you will incur is the premium(s) you will pay to the insurance company for coverage. You will also pay various annual fees described below that are deducted from the annuity contract value by the insurance company. The specific amounts of all fees are disclosed in the contract which you receive directly from the insurance company.

- **Mortality Risk and Expense (M&E)** – This is an annual charge that compensates the insurance company for insurance risks it assumes under the annuity contract. The charge generally ranges from 1% to 1.70%
- **Administrative Fee and Annual Maintenance Fee** – this annual charge covers recordkeeping and other administrative fee expenses. The administrative fee is a percentage of the account value and generally

ranges from 0% to .15%. The annual maintenance fee is a flat fee, generally ranging from \$25-\$50 and is typically waived for contract values over \$50,000 or \$100,000.

- **Investment Management Fees and Expenses** – These fees and expenses are paid to the firms that manage the investment portfolios and may include affiliates of the insurance company. These vary depending on which investment portfolios you choose.
- **Fees for Optional Riders** – Optional riders are provisions that may be added to an annuity contract to increase or limit benefits the contract otherwise provides. You will be charged additional fees if you select optional contract features at the time of purchase.
- **Surrender Charge or Contingent Deferred Sales Charge (CDSC)** – If you withdraw money from a variable annuity within a certain period after purchase (typically between 3 to 7 years), the insurance company usually will assess a “surrender charge” which is a type of sales charge.
- **Premium Taxes** – Several states impose a premium tax on variable annuity purchases either at the time of purchase or at annuitization. The tax may be as high as 5% of either the purchase payments or the total value of the annuity contract depending upon the state. The insurance company is responsible for paying this tax and will usually pass the cost on to you.

Variable annuities and variable life insurance policies are complex products and typically have intricate fee and cost structures. More detail about the fees and costs associated with a particular variable annuity or variable life insurance policy (along with other important information) is provided in its prospectus or other policy documents, which we strongly encourage you to read carefully before any purchase.

MATERIAL LIMITATIONS ON OUR SERVICES AND RECOMMENDATIONS

As explained in our Customer Relationship Summary, Integral is a full service securities broker-dealer. However, there are material limitations on the services, securities and strategies involving securities that we – and in some cases certain of our financial professionals - can offer to you:

Investment Limitations. We offer a wide range of investments, including funds from over 450 fund families, along with numerous other securities, investments and insurance products. However, we do not offer every investment in the marketplace. In particular, we can only sell mutual funds, UITs, annuities and insurance policies, and certain other products, from issuers with whom we have selling or distribution agreements.

No Monitoring. When we act as your broker, our Firm and our financial professionals do not monitor your brokerage account investments after they are purchased. We are always here to serve you, and to answer your questions. Also, your financial professional may – from time to time – review the investments in your account to determine whether to make additional recommendations to you. But we do not monitor your brokerage account or holdings. If you wish to receive regular monitoring of your investments, you may wish to consider whether a wrap fee or other investment advisory account might be a better overall choice for you.

No Discretionary (Investment Management) Services. When we act as your broker, our Firm and our financial professionals cannot make investment decisions for you, and we cannot manage your brokerage account on a discretionary basis. This means that we cannot buy or sell an investment for your brokerage

account without first obtaining your authorization. While we may recommend investments to you, you are responsible for making the ultimate decision whether to purchase or sell investments.

Certain Regulatory Restrictions. Most of the investments we offer are available to all of our retail customers, but there are some exceptions. For example, before purchasing interests in some alternative investment products (such as Structured Investment) you may have to meet certain financial and other tests in order to qualify as an “accredited investor,” a “qualified purchaser” and/or a “qualified client,” depending on the specific fund and its requirements. Likewise, under industry rules and regulations, if you have certain associations within the financial services industry, you may be considered a “restricted person” who is prohibited from purchasing “new issue” securities through IPOs and similar offerings.

CONFLICTS OF INTEREST ASSOCIATED WITH OUR RECOMMENDATIONS

As explained in our Customer Relationship Summary, when our Firm and our financial professionals make recommendations to you as your broker, we have an obligation to act in your best interest and not put our interests ahead of yours. However, the ways in which we make money create some conflicts with your interests:

Volume of Trading; Investment Amounts. Our Firm charges a commission (or commission-equivalent, such as a mark-up or mark-down) each time you buy or sell ETFs, stocks, fixed-income investments, options, or other investments that are exchange-traded. The more frequently you trade, the more commissions we will charge you. Also, we typically are paid a sales charge or other commission each time you invest in a mutual fund, 529 Plan, or an insurance commission if you buy an annuity or insurance policy. The amounts of the commissions and other charges we receive can increase the larger your trades or investments are in products such as 529 Plans and mutual funds. Furthermore, our financial professionals receive a portion of these revenues through a salary and discretionary bonus program. Therefore, both our Firm and our financial professionals have a financial incentive to recommend that you buy and sell investments and insurance products often, and make large trades and investments.

Third-Party Payments. The sales charges, sales commissions, insurance commissions and similar payments (including trail commissions, 12b-1 fees, etc.) that we receive for selling investment products such as mutual funds, 529 Plans, annuities and other insurance products vary from product type to product type. They also vary in many cases from product to product even within a single category (for example, one mutual fund might pay us a 4.0% sales charge while another might pay us a 5.0% sales charge). And again, if your financial professional sells a product to you, he or she will may receive a portion of the revenues paid to our Firm in the form of a salary and discretionary bonus. Therefore, both our Firm and our financial professionals have a financial incentive to offer and recommend investment and insurance products that pay us higher commissions and other fees than those that pay us lower commissions and other fees.

Principal Trades. When we sell you fixed-income investments or other securities from our own account (or buy them from you for our own account), the mark-up or mark-down we charge may be more than the commission we would charge for a similar transaction between you and a third-party investor (i.e., where we act only as your agent). Therefore, our Firm and our financial professionals have incentives to recommend principal trades to you. Also, we receive additional underwriting and distribution compensation where we sell you securities offered through an IPO or otherwise on the primary market.

Rollovers. Regardless of the services and investments you select, our Firm and your financial professional will make more money if you roll over assets from a retirement plan to an IRA with Integral. Therefore, both our Firm and our financial professionals have a financial incentive to recommend

retirement plan rollovers to IRAs serviced by us. Even if the retirement plan from which the rollover comes is with Integral, we will still make more money under an IRA because the plan will likely qualify for less expensive institutional class (or Retirement (R)-Class) fund shares (see Share Classes below).

Account Transfers. Similar to rollovers, our Firm and your financial professional will make money if you transfer assets in an IRA or other investment account with another financial institution to an account with Integral. For example, you might have investment accounts at multiple firms, or this could also occur if your financial professional recently left another firm and joined Integral. Both our Firm and our financial professionals have a financial incentive to recommend transfers of IRAs and other accounts at other institutions to accounts serviced by us.

Share Classes. Some investment products we offer and recommend to clients feature share class structures, including mutual funds, 529 Plans and variable annuities. Typically, some share classes will pay us higher up-front sales charges and similar payments but lower recurring payments (such as 12b-1 fees and trails), while others will pay us less up-front but more on a recurring basis. For this reason, some share classes are expected to be less expensive for long-term investors, and others are expected to be less expensive for short-term investors. In most cases, our Firm and our financial professionals will receive more compensation if you choose a share class that is more costly to you. Our financial professionals are required to consider your expected investment time horizon before recommending a particular share class. However, you should also understand that mutual funds typically offer advisory or institutional share classes that are less expensive than the share classes available to you through your retail brokerage account, and may offer share classes that are utilized for certain retirement plans as well. These share classes will not be available to you.

Product Discounts. Some investment products may offer discounts that will reduce the sales charges and other commissions we receive as a Firm, and thus, the compensation our financial professionals receive. For example, some mutual fund families offer sales charge discounts at certain “break points” based on the total dollar amount of your investments, or if you sign a letter of intent (LOI) to invest a certain amount in their funds. Since they reduce our revenues, our Firm and our financial professionals have a financial incentive not to encourage you to take advantage of such discounts.

Retirement Plans. Through our Firm’s retirement plans, our individual financial professionals may receive profit sharing, matching or other employer contributions that may be based in whole or part on the overall financial performance of the Firm. This may provide an additional financial incentive for our financial professionals to increase commission and fee revenues for the Firm (even revenues that are not shared with our financial professionals directly).

Financial Professionals’ Outside Business Activities. Some of our individual financial professionals may engage in outside business activities for compensation. As a result, they may have a financial incentive to spend time on those outside activities, rather than on providing services to our brokerage customers. You can research outside business activities your financial professional may have, for which he or she receives compensation, at brokercheck.finra.org.



OUR COMMITMENT TO PRIVACY

Integral Financial LLC and its affiliates ("Integral") are committed to maintaining the confidentiality, integrity, and security of personal information about our current and prospective customers. In this policy, personal information means "personally identifiable information".

Please note that certain details of this policy may depend on whether you deal with us through an investment professional, directly as an individual investor, or whether Integral provides services to your employer or plan sponsor.

INTEGRAL INVESTMENTS PRIVACY POLICY

How and why we obtain personal information

Integral takes great care to protect personal information about you and when we use it, we do so with respect for your privacy. We may use personal information about you to service, maintain, and protect your account; process transactions in your account; respond to inquiries from you or your representative; develop, offer, and deliver products and services; or to fulfill legal and regulatory requirements. Integral may collect public and non-public personal information about you from any of the following sources:

- You or your representative on applications or forms (for example, name, address, Social Security number, birth date, assets and income)
- You or your employer or plan sponsor if Integral provides them with recordkeeping and/or benefits advisory services (for example, payroll, human resources, or benefits information)
- Transactional activity in your account (for example, trading history and balances)
- Other interactions with Integral (for example, discussions with our customer service staff, information you enter into our websites, or when you enroll in our authentication services)
- Information from consumer reporting agencies (for example, to assess your creditworthiness for margin products)
- Information from other third-party data services (for example, to verify your identity and to better understand your product and service needs)
- You or your representative regarding your preferences (for example, your choice of electronic statement delivery, or the screen layout you specify if you use our Internet sites)
- Other sources with your consent or with the consent of your representative (for example, from other institutions if you transfer positions into Integral)

How we protect information about you

Integral considers the protection of personal information to be a foundation of customer trust and a sound business practice. We employ physical, electronic and procedural controls and we regularly adapt these controls to respond to changing requirements and advances in technology.

At Integral, we restrict access of personal information to those who require it to develop, support, offer and deliver products and services to you.

How we share information about you with third parties

Integral does not share personal information about our customers with unaffiliated third parties for use in marketing their products and services. We may share personal information with the following entities:

- Unaffiliated service providers (for example, printing and mailing companies, securities clearinghouses, marketing service providers, and other entities who may provide services at Integral's direction)
- Government agencies, other regulatory bodies and law enforcement officials (for example, for tax purposes or for reporting suspicious transactions)
- Other third-parties, with your consent or as directed by your representative (for example, if you use Integral as a financial reference in applying for credit with another institution or if you use an external aggregation website or service that you have provided permission to access your Integral financial account on your behalf)
- Other organizations as permitted or required by law (for example for fraud prevention or to respond to a subpoena)

Our service providers are obligated to keep the personal information we share with them confidential and use it only to provide services specified by Integral.

Based on the nature of your relationship with Integral, we may exchange information with other third parties as described below:

- If Integral provides workplace services to your employer or plan sponsor, such as payroll, human resources or benefits advisory and/or recordkeeping services, Integral may exchange any information received in connection with such services with your employer or plan sponsor or others they may authorize.
- If you conduct business with Integral through your investment professional, we may exchange information we collect with your investment professional or with others they may authorize.
- If you transact business through Integral's life insurance companies, we may validate and obtain information about you from an insurance support organization. The insurance support organization may further share your information with other insurers, as permitted by law. We may also share medical information about you to learn if you qualify for coverage, to process claims, to prevent fraud, or otherwise at your direction, as permitted by law.

How we share information about you within Integral

We may share personal information about you with various Integral corporate affiliates including internal service providers which perform, for example, printing, mailing, and data processing services.

Additionally, if you interact with Integral directly as an individual investor (including joint account holders) or if Integral provides services to your employer or plan sponsor, we may exchange certain information about you with Integral financial services affiliates, such as our brokerage and insurance companies, for their use in marketing products and services as allowed by law.

Information collected from investment professionals' customers is not shared with Integral affiliates for marketing purposes, except with your consent and as allowed by law.

Your digital privacy

Privacy, security, and service in Integral's online operations are just as critical as in the rest of our business. We use firewall barriers, encryption techniques, and authentication procedures, among other controls, to maintain the security of your online session and to protect systems from unauthorized access.

Additional information

If you are a former customer, these policies also apply to you; we treat your information with the same care as we do information about current customers.

Integral offers several options for accessing and, if necessary, correcting your account information. You can review your information using your statements. You may also write or call us with your request for information. Specific Internet addresses, mailing addresses and telephone numbers are listed on your statements and other correspondence.

You can click [here](#) for our clearing firm - Hilltop Securities, Inc. Privacy Policy.

PRIVACY NOTICE FOR CALIFORNIA RESIDENTS

This Privacy Notice for California residents ("Notice") supplements The Integral Financial LLC's Privacy Notice and applies to all individuals who reside in California ("consumers," "you," or "your"). The Integral Financial LLC has adopted this Notice for all of its subsidiaries and related entities (collectively, "Integral," "we," "our," or "us") whose activities fall within the scope of the California Consumer Privacy Act of 2018 ("CCPA").

For the purpose of this Notice, personal information does not include information that is exempted from the CCPA, such as personal information covered by other privacy laws such as the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act, or the California Financial Information Privacy Act. Depending on whether you have or had a business relationship with us, the CCPA may not apply to you or all of your personal information.

Personal Information We Collect

We have collected the following categories of personal information (collected and used solely within the context of California residents' roles, as listed here) from consumers (including consumers who are job applicants to or employees, owners, directors, officers, or contractors of Integral) within the last 12 months:

- Identifiers such as real name, postal address, email address, telephone number, online identifiers, driver's license number, Social Security number, passport number, government issued identification, or other similar identifiers;
- Protected classification characteristics under California or federal law such as age and gender;
- Financial and commercial information such as investment background and experience, as well as records of products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies;

- Internet or other network activity information such as information regarding your interaction with our websites, applications, and advertisements;
- Professional or employment related information, which includes information necessary to conduct background screenings; and
- Inferences drawn from such information.

Sources of Personal Information

We collect the categories of personal information listed above from the following categories of sources:

- Directly from you or those acting on your behalf. For example, from forms you complete online or at events, when you request information about or obtain our products and services, and information that is automatically collected from internet or other network activity regarding your interaction with our websites, applications, and advertisements; and
- Government entities from which public records are maintained and other publicly available sources and unaffiliated service providers, including data resellers.

How We Use Your Information

We have used or disclosed the personal information collected for one or more of the following business purposes within the last 12 months (excluding uses or disclosures we may be prohibited from reporting under applicable law):

- To conduct our business, including providing our products and services, and, where necessary, in order to assist us in verifying your identity, and to provide support, personalize, and develop our products and services;
- To fulfill and respond to your inquiries and requests, including providing you with support, investigating and addressing your concerns, monitoring and improving our responses, and to otherwise carry out the purposes for which you provided the information;
- For our marketing and promotional event services. We do not share your personal information for joint marketing with other financial companies or for non-affiliates to market to you;
- To personalize your experience with our business and to deliver content, product, and service offerings relevant to your interests, including targeted offers and ads through our websites, and via email (with your consent, where required by law);
- To perform in connection with your roles, responsibilities, and/or status as a job applicant to or an employee, owner, director, officer, or contractor of Integral, including administering payroll, benefits, maintaining compliance with policies and procedures, and to comply with health and safety and occupational health obligations;
- To help maintain the safety, security, and integrity of our business, including all products and services, and to respond, where necessary, to requests from regulators and law enforcement or as otherwise required by applicable law, regulation, court order, or similar demand;
- As described to you when collecting your personal information or as otherwise set forth in the CCPA; and
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of Integral's assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by Integral is among the assets or business operations transferred.

Personal Information Disclosed for Business Purposes

We have disclosed the categories of personal information listed above for business purposes to the following categories of parties within the last 12 months (excluding disclosures we may be prohibited from reporting under applicable law):

- Our affiliated entities and unaffiliated service providers to help conduct our business; and
- Third parties to whom you direct or authorize us to disclose your personal information, independent of or in connection with products and services we provide to you.

Integral does not and will not sell your personal information.

Your CCPA Data Rights

The CCPA provides consumers with certain data rights with respect to the personal information businesses collect. You may exercise any of the listed data rights (subject to certain exceptions and limitations), by following the "Instructions for Submitting a Verifiable CCPA Data-Rights Request" provided below.

You have "Rights to Know":

1. The specific pieces of personal information we have collected about you;
2. The categories of personal information we have collected about you;
3. The categories of sources from which your personal information is collected;
4. The categories of personal information that we have disclosed for a business purpose about you;
5. The categories of third parties to whom personal information was disclosed for a business purpose; and
6. The business or commercial purpose for collecting personal information.

You also have the right to "Request to Delete" your personal information: You may request that we delete personal information about you that we have collected from you (unless an exception applies or deletion is otherwise restricted or prohibited by law, rule, or regulation).

Non-Discrimination

You have the right not to receive discriminatory treatment for exercising any of these data rights.

Integral does not discriminate against any consumer for exercising their rights under the CCPA.

CCPA Data Rights Are Not Available for Certain Personal Information

CCPA data rights are not available for personal information we collect about you in the course of you acting as a job applicant to or an employee, owner, director, officer, or contractor of Integral, including, in these contexts, your emergency contact information and personal information that is necessary for us to retain to administer benefits for another person relating to you acting as a job applicant to or an employee, owner, director, officer, or contractor of Integral. Any personal information we collect and use will only be used within the context of your role or former role in these capacities.

Information on Rollovers to Individual Retirement Accounts

Whether an investor rolls over their employer-sponsored plan assets to an IRA account is an important decision. A decision to roll over plan assets to an IRA rather than keeping assets in a previous employer's plan or rolling over to a new employer's plan should reflect consideration of various factors, the importance of which will depend on your individual needs and circumstances.

Representatives of Integral Financial are not permitted to make any recommendations as to whether you should roll over your retirement assets.

Integral Financial strongly recommends that you consult with advisors (e.g., financial, tax, legal, etc.) prior to making a decision whether to roll over plan assets to an IRA. Our representatives at Integral Financial can explain the types of services we offer, but are not permitted to comment on whether you should or should not roll over retirement assets into an IRA.

Some of the factors that you may want to consider are listed below.

- **Investment Options** - An IRA often enables an investor to select from a broader range of investment options than a plan.¹ The importance of this factor may depend in part on how satisfied you are with the options available under the plan under consideration. For example, if you are satisfied by the low-cost institutional funds available in some plans may not regard an IRA's broader array of investments as an important factor.
- **Fees and Expenses** - Both plans and IRAs typically involve (i) investment-related expenses and (ii) plan or account fees. Investment-related expenses may include sales loads, commissions, the expenses of any mutual funds in which assets are invested and investment advisory fees. Plan fees typically include plan administrative fees (e.g., recordkeeping, compliance, trustee fees) and fees for services such as access to a customer service representative. In some cases, employers pay for some or all of the plan's administrative expenses.² An IRA's account fees may include, for example, administrative, account set-up and custodial fees.
- **Services** - You may wish to consider the different levels of service available under each option. Some plans, for example, provide access to investment advice, planning tools, telephone help lines, educational materials and workshops. Similarly, IRA providers offer different levels of service.
- **Penalty-Free Withdrawals** - Depending on your age, it may be possible to take penalty-free withdrawals from a plan before you reach age 59 1/2. In contrast, penalty-free withdrawals generally may not be made from an IRA until age 59½. It also may be easier to borrow from a plan. We recommend that you consult an advisor so you understand the tax implications prior to making a decision.
- **Protection from Creditors and Legal Judgments** - Plan assets and assets held in IRAs may be treated differently and have different levels of protection from creditors under

¹ Not all IRAs permit a broad range of investments. For example, an IRA held with a mutual fund complex may limit investment to the complex's funds.

² See U.S. Department of Labor publication *A Look At 401(k) Plan Fees*. September 2019

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federal law as well as in bankruptcy proceedings. Furthermore, state laws may vary in the protection of IRA assets in lawsuits. Consulting an expert in this area may be appropriate so you have a clear understanding before making a decision.

- **Required Minimum Distributions** - Once an individual reaches age 72, the rules for both plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. If a person is still working at age 72 however, they are generally not required to make required minimum distributions from his current employer's plan. This may be advantageous for those who plan to work into their 70s. We recommend that you consult an advisor so you understand the tax implications prior to making a decision.
- **Employer Stock** - An investor who holds significantly appreciated employer stock in a plan should consider potential negative tax consequences of rolling the stock to an IRA.

These are examples of the factors that may be relevant when analyzing available options, and the list is not exhaustive. Other considerations also might apply to specific circumstances.

Fiduciary Disclosure

Pursuant to the Employee Retirement Income Security Act (“ERISA”), we are required to provide you with certain disclosures regarding the nature of our relationship with you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule’s provisions, we are required to:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We welcome you to discuss this or any aspect of our relationship with your financial professional or the professionals in our corporate home office.

Very truly yours,
Integral Financial, LLC



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 Clearing services provided by Hilltop Securities, Inc. Member: NYSE/FINRA/SIPC

- New Account
- Account Update

SIMPLE IRA Account Application w/ Option

1. Type of IRA (Check ONE)

- SIMPLE IRA SIMPLE IRA Rollover (Must also complete a Rollover Certification Form)

2. Customer Information

Full Name of Applicant (First, Middle, Last)			Social Security #		Date of Birth
Physical/ Home Address (P.O. Box is not acceptable)		City	State/Province	Country	Zip
Mailing Address (P.O. Box acceptable if physical address provided above)		City	State/Province	Country	Zip
Home Phone Number	Cell Phone Number	Fax Number	Email Address		

3. Customer Identification

USA PATRIOT Act - Important Information About Opening A New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will require your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

For Applicant:

Driver's License Passport/Visa Other _____

Issuer: _____ ID Number: _____

Date of Issuance (If applicable): _____ Date of Expiration (If applicable): _____

4. Customer Profile

Marital Status: Single Married Divorced Widowed **Number of Dependents:** _____

Citizenship Status: U.S. Citizen Resident Alien Non-Resident Alien (Note: W-8 BEN Form is required.)

Country of Citizenship if Non-U.S. : _____

Please attach a copy of your employer's completed SIMPLE Prototype Adoption Agreement, which should be available to you from your SIMPLE Plan contact person. **Plan Contact Person:** _____

Employment Information: (Please specify if self-employed, unemployed, retired, homemaker, student or other):

Employer (If self-employed or retired, specify type of business.)		Occupation/Job Title	Business Telephone		
Employer's Address	City	State/Province	Country	Zip	

Trusted Contact Person Information (optional)

By choosing to provide information about a trusted contact person, you authorize us to contact the trusted contact person listed below and disclose information about your account to that person in the following circumstances: to address possible financial exploitation, to confirm the 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 FINRA Rule 2165 (Financial Exploitation of Specified Adults).

First Name		Middle Name	Last Name		
Home Address	Apt. /Suite No.	City	State/ Province	Country	Zip
Home Phone Number	Cell Phone Number	Work Number	Email Address		
Relationship to Primary Applicant/ Co-Applicant					

Customer Affiliations and Disclosures

Indicate the affiliation of yourself, your spouse, or any other immediate family members (i.e. parents, siblings, children or in-laws) with the following (Please include name and relationship as is applicable):		Self	Family Member
A. Employed by or associated with the securities industry or a financial regulatory agency? (If yes, please specify the entity name and address to which duplicate account mailings should be sent, as well as including a letter from employer approving this account.):	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

B. An officer, director or 10% (or more) shareholder in a publicly-owned company? <i>(If yes, please specify company name and trading symbol.):</i>	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
C. A senior military, governmental or political official in either the U.S. or a foreign jurisdiction? <i>(If yes, identify the name of the official, office held, and country.):</i>	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
D. Are you an accredited investor as defined in SEC Rule 501 of Regulation D?	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

Have you granted account trading authorization to another party? (If yes, please specify the agent name and provide a copy of the written agreement conferring trading and account authority.) Yes No _____

Financial Institution References

Reference 1: _____ Reference 2: _____ Reference 3: _____

Customer Investment Objectives and Risk Tolerance

Select the categories that best describe your investment objectives and the risk that you are willing to assume in this account. Different investment products and strategies involve different degrees of risk. The greater the expected returns of a product or strategy, the greater the risk that you could lose some or all of your investment. Investments should be chosen based on your objectives, timeframe, and tolerance for market fluctuations. *(Note that a secondary investment objective is not required)*

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

Investment Objective Descriptions

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

Risk Tolerance Descriptions

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

Customer Financial Information

Financial Information

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

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

Additional Customer Information

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

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

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

I plan to use this account for the following <i>(Check all that apply)</i>	What is your source of funds for this account <i>(Check all that apply)</i>
<input type="checkbox"/> Generate income for current or future expenses <input type="checkbox"/> Partially fund my retirement <input type="checkbox"/> Wholly fund my retirement <input type="checkbox"/> Steadily accumulate wealth over the long term <input type="checkbox"/> Preserve wealth and pass it on to my heirs <input type="checkbox"/> Pay for educational expenses <input type="checkbox"/> Market speculation <input type="checkbox"/> Other: _____	<input type="checkbox"/> Income from Earnings <input type="checkbox"/> Investments/ Transfer from Brokerage Account <input type="checkbox"/> Gift <input type="checkbox"/> Sale of Business or Real Estate <input type="checkbox"/> Inheritance <input type="checkbox"/> Pension/ IRA/ Retirement Savings <input type="checkbox"/> Spouse/ Parent/ Relative <input type="checkbox"/> Legal/ Insurance Settlement <input type="checkbox"/> Lottery/Gaming <input type="checkbox"/> Other: _____

Other Investment Information *(Optional)* - Please consider providing us with additional information about your other investments to help us more fully understand your financial situation and the types of investments or strategies that may be appropriate for your total investment portfolio. *(Use additional pages if needed)*

Investment Type/Description	Firm Holding Your Investment	Amount of Investment
		\$
		\$
		\$

5. Beneficiary Designation

In the event of my death, pay the full value of my account (in equal proportions in the case of multiple beneficiaries unless I indicate otherwise) to the primary beneficiary(ies) as designated and fully identified below. I understand that if a primary beneficiary(ies) predeceases me, the remaining portion will be divided proportionately among any surviving primary beneficiaries.

If my primary beneficiary(ies) predecease me, pay the full value of my account to the named contingent beneficiary(ies) designated below. I understand that if a contingent beneficiary predeceases me, the remaining portion will be divided proportionately among any surviving named contingent beneficiaries. Contingent beneficiaries and per stirpes heirs will only inherit assets if there are no surviving primary beneficiaries at the time of the account holder's death.

If I do not designate a beneficiary or if all of my beneficiaries predecease me, pay the full value of my account to my estate. Should all my beneficiaries disclaim my assets, predecease me, or not survive me by 120 hours, the assets will be distributed to my estate.

I understand that I may change or revoke this designation at any time by completing a Change of Beneficiary Form, which will become effective after HTS confirms receipt of my properly completed Change of Beneficiary Form.

I understand that if HTS determines that my beneficiary designation is not clear with respect to the amount of the distribution, the date on which the distribution shall be made, or the identity of the beneficiary(ies) who will receive the distribution, regardless of the assistance of my Authorized Agent designated below or lack thereof, HTS has the right, in its sole discretion, to consult counsel and to institute legal proceedings to determine the proper distribution of my account, all at the expense of my account, before distributing or transferring my assets.

For any named primary beneficiary(ies), I understand that I may either select to name a contingent beneficiary(ies) or select per stirpes, but I cannot choose both for the same primary beneficiary. If both are selected, I understand and agree that HTS will only honor my named beneficiaries, whether primary or contingent. I am aware that per stirpes selection applies to natural and adopted children, but does not include stepchildren. Additionally, per stirpes may not be designated as a primary beneficiary.

It is extremely important that you clearly indicate the percentage each beneficiary is to receive; make sure the percentages add up to 100% for the primary beneficiaries and 100% for named contingent beneficiaries. If you do not indicate percentages in the primary or contingent beneficiary sections or if they do not equal 100%, my assets shall be divided equally among the surviving beneficiaries in the respective class.

Mandatory Questions Regarding Beneficiary(ies). You must complete this section.

- 1) **Are you married? Yes or No** ? If yes, proceed to question 2. If no, do not answer any more questions in this section.
- 2) **Are you designating your spouse as the only primary beneficiary? Yes or No** ? If yes, do not answer any more questions in this section. If no, proceed to question 3.
- 3) **Is this account being funded by community property, separate property, or both?**
 - Community Property
 - Separate Property
 - Both (community property and separate property)

If you selected "Community Property" or "Both (community property and separate property)", please have your spouse complete the spousal consent below, as HTS cannot process this application without a completed spousal consent.

Note that if HTS determines that the nature of the funds in the account are different than you represent, HTS has the right, in its sole discretion, to consult counsel and to institute legal proceedings to determine the proper distribution of your account, all at the expense of your account, before distributing or transferring your assets.

HTS' Definition of Per Stirpes Distribution

If you indicate per stirpes distribution to your predeceased primary beneficiary(ies), you agree that the definition of per stirpes in this form will govern how HTS will distribute your account assets. Note that the definition of per stirpes in this form will be followed even though HTS' definition may differ from the definition of per stirpes under your particular state's laws and/or your Will or Trust. Please carefully review the definition of per stirpes below. Before completing and submitting this form to HTS, consult an attorney if you have any questions about per stirpes.

If a primary beneficiary with per stirpes selected as his or her contingent beneficiary predeceases me, HTS will distribute the primary beneficiary's share to his or her living children (natural or legally adopted; **stepchildren are not legally defined as descendants for these purposes**) if any, in equal shares. **If you wish to include any stepchildren, you should name and fully identify your natural, legally adopted, and stepchildren as contingent beneficiaries rather than selecting per stirpes.** If the predeceased primary beneficiary has no living natural or legally adopted children, that primary beneficiary's portion will be distributed to the other primary beneficiaries, if any, in equal shares. If all per stirpes beneficiaries predecease me, HTS will distribute my account assets to my estate. I understand that per stirpes cannot be named as a primary beneficiary. I also understand and agree that I may either select to name a contingent beneficiary(ies) or select per stirpes as the secondary beneficiary of a named primary beneficiary, but I cannot choose both for the same primary beneficiary. If both are selected, I understand and agree that HTS will only honor my named beneficiaries, whether primary or contingent.

Name and Address	Birth Date	Social Security #*	Relationship	Beneficiary Type*	Share %*
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Per Stirpes	_____%
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Per Stirpes	_____%
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Per Stirpes	_____%
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Per Stirpes	_____%

Authorized Party

If I indicate per stirpes, HTS will require the Authorized Party designated herein to assist HTS with the identity of the per stirpes beneficiary(ies) prior to distributing my account assets. I understand and agree that I will keep my designated Authorized Party up to date and will notify HTS should I wish to change my Authorized Party or should my Authorized Party predecease me or elect not to serve as my Authorized Party.

HTS is entitled to rely on my authorized agent when distributing my account assets. However, I also agree that HTS has no obligation to locate or identify any beneficiary(ies) or to independently verify any information submitted by my Authorized Party prior to distributing my account assets. I, my estate, and my successors in interest further understand and agree that, notwithstanding this Beneficiary section and any information or instructions provided by my Authorized Party, HTS may, in its sole discretion, require additional documentation, consult, or institute legal proceedings in order to determine the proper identity of my beneficiaries, all of which shall be at the expense of my account.

Name of Authorized Party (First Name)	(Middle Initial)	(Last Name)	Relationship to You		
Home Street Address (P.O. Boxes are not accepted)			City	State	Zip Code
Email Address(es)			Telephone Number		

6. Spousal Consent (Required if participant's spouse is not designated as the sole primary beneficiary, and the account is being funded in whole or in part with community property.)

As the spouse of the participant in the above-named Plan, I acknowledge that I understand my rights to be named the Primary Beneficiary of my spouse's account balance. I hereby consent to the designation made by my spouse to have the death benefit paid to the beneficiary(ies) named on my spouse's most current Beneficiary Designation instead of to me. I further acknowledge that I understand that the effect of my consent may be to forfeit benefits which I would be entitled to receive upon my spouse's death; that my spouse may not name a non-spouse beneficiary unless I consent to it; that the trustees may or may not permit me to revoke my consent to waiver at a later date; and that my spouse may not change beneficiary(ies) to anyone other than myself without my consent.

X _____
 Spouse's Signature (Required if not sole primary beneficiary.) Date

7. Sweep Account Instructions

For Cash Within the Account:

This type of account may not retain excess cash balances in Credit Interest (CIP). Excess cash balances must sweep to the bank insured deposit program. Applicants must elect to participate in the sweep program.

Sweep to Bank Insured Deposit (FDIC Insured Deposit Account)

The sweep program is provided by HTS to its customers offering you the ability to automatically transfer excess cash balances in your securities account to an account at a bank whose deposits are insured by the FDIC. A sweep of your excess cash balance allows you to earn interest on the funds while retaining the flexibility to quickly access that cash to purchase securities or withdraw it. HTS may change the products available under the sweep program. For existing accounts, please notify your Financial Professional if you wish to sweep cash balances to the Bank Insured Deposit program. Individual retirement accounts and qualified retirement plan accounts may not retain excess cash balances in CIP. Therefore, these specific types of accounts must affirmatively select the Bank Insured Deposit program.

The Bank Insured Deposit is a program which involves a series of FDIC-insured bank accounts maintained at various participant banks, including PlainsCapital Bank, an affiliate of Hilltop Securities Inc. (HTS). Bank deposits are generally insured up to \$250,000 per depositor, while your IRA and other qualifying self-directed retirement funds on deposit are separately insured up to \$250,000. Balances in Bank Insured Deposit up to \$5 million may be covered depending on the number of participant banks in the program. Account balances in excess of the combined coverage limits of the participant banks will be swept by HTS to a money market fund. A list of participant banks is available at www.hilltopsecurities.com. Deposits you may have directly placed with any participant bank should be taken into account when assessing your FDIC coverage. If you have a deposit with one of the participant banks that is separate from a balance in the Bank Insured Deposit, please notify your Financial Professional if the combined deposits are in excess of \$250,000.

I acknowledge that I have been notified of the general terms and conditions of the sweep program. I acknowledge that if I have selected the Bank Insured Deposit program, the terms and conditions will be mailed to me. Information regarding FDIC coverage is available at www.fdic.gov. Cash balances invested in the Bank Insured Deposit are not covered by SIPC or excess-SIPC coverage. Please consult your Financial Professional, as certain types of accounts may not be eligible to invest in the Bank Insured Deposit. HTS or your Financial Professional may receive a fee or compensation with respect to the Bank Insured Deposit. For more information concerning your cash account options, please contact your Financial Professional. For complete sweep account disclosures please see the Customer Information Brochure, as well as our website: www.hilltopsecurities.com/disclosures/sweep-account-disclosure/.

HTS may change the products available under the sweep program, however you will receive 30 days notice before certain specified changes are made.

8. Option Account Agreement (Please read, complete and sign below if you wish to trade options)

Investment Objective (See Descriptions on Page 2)	Prior Option Activity Has Been	Prior Option Trading Frequency	Prior Option Trading Occurred In What Account Type
<input type="checkbox"/> Income <input type="checkbox"/> Speculation	<input type="checkbox"/> No Activity <input type="checkbox"/> Buying <input type="checkbox"/> Writing <input type="checkbox"/> Uncovered (Sales)	<input type="checkbox"/> No Trading <input type="checkbox"/> Infrequent <input type="checkbox"/> Moderate <input type="checkbox"/> Active	<input type="checkbox"/> Cash <input type="checkbox"/> Margin <input type="checkbox"/> Both <input type="checkbox"/> Neither

Option Strategy Levels Requested: (Check the strategy level that you wish to utilize in this account)

- Level 1:** Covered Option Writing – Writing calls fully covered by underlying stock or security convertible into underlying stock or writing puts fully covered by cash.
- Level 2:** Level 1 plus buying calls and/or puts.

By signing below, I acknowledge that I have received a copy of the HTS Option Account Agreement Section of the Customer Information Brochure and that I have read, understand and agree to be bound by the terms. I feel that I have sufficient knowledge to invest in options and I represent that I will maintain extra awareness due to the short life and price volatility of options. **I REPRESENT THAT I AM CAPABLE OF EVALUATING, CARRYING AND BEARING THE FINANCIAL RISKS AND HAZARDS OF THE OPTION STRATEGIES AS I HAVE REQUESTED.**

X _____
 Applicant's Signature Date

9. Account Agreement and Special Instructions (Please read and sign)

You hereby request that your Financial Professional maintain a brokerage account in the name(s) listed on this application. You acknowledge that you have received, read and understood the Hilltop Securities Inc. (HTS/Firm) Cash Account Agreement (Agreement) section of the Customer Information Brochure and that you agree to be bound by the terms and conditions of the Agreement that apply to your brokerage account, as is currently in effect and as may be amended from time to time, and that you will contact your Financial Professional regarding any questions that may relate to your account in a timely manner.

By signing below, you authorize HTS to invest or transfer on an ongoing basis any excess cash balances to another account or institution as per the sweep account option selected above. You also acknowledge that you have read, understand, and agree to be bound by all terms as contained in the Customer Information Brochure relating to sweep accounts. You agree to notify your Financial Professional should you wish to change your sweep account selection. You also authorize HTS to transfer your interest in the selected sweep option to another product in its sweep account program upon 30 days written notice.

By signing this Application, you confirm your intention to reinvest cash credit balances held by HTS in your name, and you further confirm that this cash credit balance is being maintained in your account solely for the purpose of reinvestment. You acknowledge your understanding that cash balances of up to \$250,000 are protected by the Securities Investor Protection Corporation (SIPC), but that SIPC coverage is not available for funds maintained solely for the purpose of earning interest.

FOR BROKERAGE USE ONLY

Characteristics and Risks of Standardized Options Delivered: ____/____/____

Special Statement for Uncovered Option Writers Delivered: ____/____/____

In my capacity as Registered Options Principal, I have reviewed the client's financial condition, investment objective(s) and investment experience, and on that basis feel the following level of trading is suitable for this client:

Level 1 Level 2 None

X _____
Registered Options Principal Signature Date

Registered Options Principal Printed Name

Office#: _____ Financial Professional#: _____ Account#: _____

Customer Information Brochure Delivered: ____/____/____

Privacy Policy Delivered: ____/____/____

Form CRS Delivered: ____/____/____

Form CRS Delivery Method: _____

Copies of all Written Agreements Delivered: ____/____/____

DOL PTE Fiduciary Disclosure Delivered: ____/____/____

DOL PTE Fiduciary Disclosure Delivery Method: _____

X _____
Financial Professional's Signature Date

Financial Professional's Printed Name

X _____
Principal's Signature Date

Principal's Printed Name

X _____
Authorized Signature of Custodian Date

Authorized Printed Name of Custodian

**PROTOTYPE SIMPLE RETIREMENT PLAN
ADOPTION AGREEMENT**

The undersigned Employer hereby establishes on the date indicated, the Sponsoring Organization's Prototype SIMPLE Retirement Plan and agrees that the following elections and terms shall be part of such Plan.

EMPLOYER INFORMATION

- 1. Name: _____ 3. Phone: _____
- 2. Address: _____ 4. EIN: _____
- _____ 5. Contact Person: _____

PLAN INFORMATION

- 6. Effective Date: January 1, _____; or _____ (For initial Plan Year enter a date between January 1 and October 1.)
- 7. Sponsoring Organization: _____

The Sponsoring Organization will inform the Employer of any amendments to the SIMPLE or if the Sponsoring Organization no longer sponsors this Prototype.

ELIGIBILITY REQUIREMENTS

- 8. All Employees of the Employer shall be eligible to participate under the Plan except:
 - a. Employees included in a unit of employees covered under a collective bargaining agreement described in section 2.02(a) of the Plan. (NOTE: This box is deemed checked if the special rule for the one-plan requirement in section 1.03(a) applies.)
 - b. Non-resident alien employees who did not receive US source income described in section 2.02(b) of the Plan.
 - c. If the Employer has been involved in an acquisition, or similar transaction, by checking the box below, the following Employees are not Eligible Employees, but only for the calendar year of the transaction and the following calendar year (the following 2 calendar years, if permitted by section 408(p)):
 - Employees who would be employed by another employer involved in the _____ (insert date of transaction) transaction with the Employer had the transaction not occurred. (NOTE: This box is deemed checked if section 1.03(a) of the Plan applies.)
- 9. a. Full eligibility. All Employees are eligible.
- b. Limited eligibility. Eligibility is limited to each Eligible Employee who is described in both (i) and (ii) below:
 - (i) Prior year compensation. An Eligible Employee who has received at least \$5,000, or _____, if lesser, in Compensation during any 2, or _____ (insert 0 or 1), if less, preceding calendar years (need not be consecutive); and
 - (ii) Current year compensation. An Eligible Employee who is reasonably expected to receive at least \$5,000, or _____, if lesser, in Compensation during the current calendar year.

WRITTEN ALLOCATION FORMULA - EMPLOYER CONTRIBUTIONS

- 10. The Employer shall contribute on behalf of each Participant for each Plan Year in accordance with one of the following as indicated in the Summary Description.
 - a. Matching Contribution in the amount of the Participant's Elective Deferral. Employer Matching Contributions must meet the requirements of section 3.03(b) of the Plan.
 - b. Nonelective Contribution of 2% of each Eligible Employee's Compensation, who receives at least \$5,000, or _____, if lesser, in Compensation from the Employer for the Plan Year.

WRITTEN ALLOCATION FORMULA - ELECTIVE DEFERRALS

- 11. An Eligible Employee may elect to have his/her Compensation reduced by a percentage as specified on the Deferral Form (including a "catch-up" contribution.).
- 12. If a Participant elects to stop deferring during a Plan Year, such Participant:
 - a. may not begin Elective Deferrals until January 1 of the next Plan Year; or
 - b. may resume Elective Deferrals at any time provided another Deferral Form is filed with the Employer.
- 13. An Eligible Employee will be permitted to make or modify his deferral election: _____ (insert date(s) which will apply to all Eligible Employees).

INVESTMENT PROVISIONS

- 14. The IRA accounts of each Participant shall be established and maintained with:
 - a. A Trustee/Custodian of each Participant's choice if indicated on the Deferral Form; or
 - b. The "DFI" Trustee/Custodian named by the Employer is: (insert name and address of DFI)

SIGNATURES

Employer: _____ Trustee (optional): _____

By (Authorized Signature): _____ By (Authorized Signature): _____

Date: _____ Date: _____

SIMPLE PLAN DEFERRAL FORM

SECTION I - GENERAL PLAN INFORMATION

Participant's Name: _____

Participant's Address: _____ SSN: _____

Name of Employer: _____

Trustee/Custodian: _____

SECTION II - SALARY REDUCTION DEFERRAL ELECTION

Subject to the requirements of the SIMPLE Retirement Plan of the above-named employer, I authorize the following amount or percentage of my compensation to be withheld from each of my paychecks and contributed to my SIMPLE IRA:

- a. _____ percent of my salary (not in excess of 100%); OR
- b. \$ _____ per pay period; OR
- c. \$ _____ as of _____ [insert amount and date of single-sum deferral payment].

I elect not to participate in my Employer's SIMPLE Plan with respect to Salary reduction contributions.

This salary reduction authorization shall remain in effect until I give a written modification or termination of its terms to my employer.

SECTION III - AMOUNT OF DEFERRAL

- a. If I will be under age 50 by the end of the relevant year, I understand that the total amount of my salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
- b. If I will be age 50 or over by the end of the relevant year, I understand that the total amount of my age 50 catch-up salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
- c. I understand that the total amount I defer in any calendar year to this SIMPLE may not exceed the lesser of:
_____ % of my compensation; or the dollar limitation indicated in (a) or (b) above.

SECTION IV - COMMENCEMENT OF DEFERRAL

The deferral election specified in Section II above shall not become effective before _____ (Specify a date no earlier than the first day of the first pay period beginning after you sign this agreement.)

SECTION V - DISTRIBUTIONS FROM SIMPLE IRA

I understand that any amounts withdrawn from my SIMPLE IRA are includible in my gross income and may be subject to a 25% additional income tax if withdrawn within 2 years of the day I first participated in this SIMPLE Plan.

SECTION VI - EMPLOYEE SELECTION OF SIMPLE IRA TRUSTEE OR CUSTODIAN

I select the following financial institution to serve as the trustee, custodian, or issuer of my SIMPLE IRA.

Name of Financial Institution: _____

Address: _____

SIMPLE IRA Account Name/Number: _____

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA Plan. If the information regarding my SIMPLE IRA is incomplete when I first submit my salary reduction agreement, I realize that it must be completed by the date contributions must be made under the SIMPLE IRA Plan. If I fail to update my agreement to provide this information by that date, I understand that my employer may select a financial institution for my SIMPLE IRA.

Date: _____ Signature of Participant: _____

SECTION VII - TERMINATION OF ELECTIVE DEFERRALS

I understand that my Employer may restrict me from resuming Elective Deferrals until the January 1st of the next Plan Year, if so indicated on the Adoption Agreement.

I wish to stop my Elective Deferrals as of _____. (Fill in the date you want your salary reduction contributions to end. The date must be after you sign this agreement).

Employee Initials _____.

SECTION VIII - DURATION OF ELECTION

This salary reduction agreement replaces any earlier agreement and will remain in effect as long as I remain an Eligible Employee under the SIMPLE IRA Plan or until I provide my Employer with a new salary reduction agreement as permitted under this SIMPLE IRA Plan.

ANNUAL SUMMARY DESCRIPTION
(For Existing SIMPLE Plan)

EMPLOYER INSTRUCTIONS:

We are required to provide you with an Annual Summary Description for your SIMPLE Plan. You, the employer, must complete the information in items 1 through 9 below, prior to providing this Summary Description to your employees. A completed Annual Summary Description must be given to each eligible employee within a reasonable time prior to November 2nd of each year. Therefore, this description is providing information on your SIMPLE Plan with respect to the following calendar year. If you are not the Employer, please provide this to your Employer for completion.

PLAN INFORMATION

1. Name of Employer: _____

Address of Employer: _____

2. Name of Trustee/Custodian: _____

Address of Trustee/Custodian: _____

The Trustee/Custodian named above is a non-DFI; DFI

(If the "DFI" (Designated Financial Institution) box is checked, the Trustee/Custodian must provide information regarding procedures for, and effects of, withdrawals (including rollovers) from the SIMPLE IRA.)

ELIGIBILITY REQUIREMENTS

3. All Employees of the Employer shall be eligible to participate under the Plan except:
- a. Employees included in a unit of employees covered under a collective bargaining agreement.
 - b. Non-resident alien employees who did not receive US source income.
 - c. Employees who are not reasonably expected to earn \$_____ (not to exceed \$5,000) during the Plan Year for which the contribution is being made.
 - d. There are no eligibility requirements. All Employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.
4. Each Eligible Employee will be eligible to become a Participant after having worked for the Employer during any prior years (not to exceed 2) and received at least \$_____ in compensation (not to exceed \$5,000), during each of such prior years.

WRITTEN ALLOCATION FORMULA

5. The Employer has agreed to provide contributions for the _____ Plan Year as follows (complete only one choice):
- a. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of 3% of such Participant's Compensation.
 - b. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of _____% (not less than 1% nor more than 3%) of such Participant's Compensation.
 - c. Nonelective Employer Contribution - 2% of each Eligible Employee's Compensation, if the Eligible Employee earns at least \$_____ in compensation (not to exceed \$5,000) during the calendar year.
6. Catch-up Elective Deferral Contributions shall not exceed \$2,500 (subject to cost-of-living adjustments) and may only be made by Eligible Employees who have attained or who will attain the age of 50 on or before December 31.

TIMING OF ELECTION

7. If a Participant elects to stop deferring during a Plan Year, such Participant:
- a. may not resume Elective Deferrals until January 1 of the next Plan Year; or
 - b. may resume Elective Deferrals at the next change date permitted under Item 8 below.
8. An Eligible Employee will be permitted to make or modify his deferral election: _____ (insert date(s) which will apply to all Eligible Employees).

ADDITIONAL INFORMATION

9. The Employer has designated _____ (insert Name & Title) to provide additional information to Eligible Employees about the Employer's SIMPLE Plan.

GENERAL INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the SIMPLE Retirement Plan document itself, the completed Adoption Agreement and the accompanying disclosure information.

For a calendar year, you may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60 day period that includes either the date you become eligible or the day before. If indicated on the Adoption Agreement, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

SIMPLE Retirement Plan and SIMPLE IRA Defined: A SIMPLE Retirement Plan is a retirement income arrangement established by your employer. Under this SIMPLE Plan, you may choose to defer compensation to your own SIMPLE Individual Retirement Account or Annuity ("SIMPLE IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to a SIMPLE IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least \$5,000 during the prior calendar year.

A SIMPLE IRA is a separate IRA plan that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE Retirement Plan. Your employer must provide you with a copy of the SIMPLE agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your SIMPLE IRA belong to you, even after you quit working for your employer.

Elective Deferrals - Not Required: You are not required to make elective deferrals under this SIMPLE Retirement Plan. However, if the Employer is matching your elective deferrals, no Employer contribution will be made on your behalf unless you elect to defer under the plan.

Elective Deferrals - Annual Limitation: The maximum amount that you may defer under this SIMPLE Plan for any calendar year is limited to the lesser of the percentage of your compensation indicated in the Deferral Form or the maximum deferral limit permitted under law, subject to cost-of-living adjustments. For 2014, this amount is \$12,000 (subject to cost of living adjustments).

Allowance of Catch-Up Contributions: All Employees who are eligible to make Elective Deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make Catch-Up Contributions for 2014 up to \$2,500, (subject to cost of living adjustments.)

Tax Treatment of Elective Deferrals: The amount that you may elect to contribute to your SIMPLE IRA is excludible from gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA and FUTA taxes.

If you work for other employers (unrelated to this Employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year.

This limitation is referred to as the §402(g) limit. The section 402(g) limit on elective deferrals is currently \$17,500, subject to cost of living adjustments.

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the SIMPLE IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

SIMPLE IRA Distributions: You may withdraw from your SIMPLE IRA at any time. However, any distributions will be includible in your gross income and may also be subject to a 25% additional income tax or a 10% additional income tax depending upon how long you have participated in the SIMPLE Plan. For more information refer to the SIMPLE IRA disclosure statement which was provided to you when you established your SIMPLE IRA.

Rollover or Transfer to Another IRA: You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA) until the 2 years following the date you first participated in the SIMPLE plan. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

If the Adoption Agreement indicates that all initial SIMPLE contributions will be made to a Designated Financial Institution, you may be able to transfer your SIMPLE IRA without cost or penalty to another SIMPLE IRA (if within the 2 year period) or thereafter to any other IRA. The DFI may impose a deadline for electing no cost or penalty free transfers and if the employee so elects, may also limit your choice of investments.

After the restriction described above no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA. This is called a "rollover" and may not be done more frequently than at 12-month intervals. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the trustees so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts generally may be reduced only by a distribution to you.

Conversions to a Roth IRA: After the 2-year restriction described above no longer applies, you may convert your SIMPLE IRA to a Roth IRA. Such conversion is taxable to you but is not subject to the 10% additional income tax if you are under age 59½.

Cost of Living Adjustments/or COLAS: COLAs are announced by the IRS during the last calendar quarter of a calendar year relating to the following calendar year.