

APPLICATION BOOKLET

Traditional, Roth, or SEP Individual Retirement Account



Consult With Your Attorney

Carefully read the enclosed information. Please consult with your attorney or tax advisor if you are thinking about opening an IRA trust account.

Disclosure Statement & Trust Agreement

Before you complete any forms, read the Disclosure Statement and Trust Agreement in their entirety.

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 Equity Trust to obtain, verify, and record information that identifies each person who opens an account. Your brokerage firm may perform these activities on behalf of Equity Trust Company.

What this means for you: When you open an account, you will provide your name, address, date of birth, and other information that will allow us or your brokerage firm, on our behalf, to identify you. You may also need to share your driver's license or other identifying documents.

Trust Account and Notice

Individual accounts will be opened by your brokerage firm. The title of the account will be as follows:

Equity Trust Company, Trustee
FBO (Name of Account Holder), Traditional, Roth, or SEP IRA

(Note: Our Federal Tax ID number should appear when opening cash accounts at your brokerage firm. It is 05-0552743. When a cash account is opened, Account Holder must receive a statement).

Investments

It is your responsibility to direct the investment of your IRA account. Investment directions may be given directly to your brokerage firm. Investment confirmations will be sent to you by the brokerage firm.

Trustees are required to furnish participants with a statement of the value of their account by January 31 each year. Because Equity Trust is a non-depository directed trustee, we must rely on the regularly issued brokerage/investment statements that are issued to you to meet this requirement.

The facilities of your brokerage firm will be available to you so that you may obtain research material in connection with your investments.

The brokerage firm cannot exercise discretion or control over your account, unless you are using the services of a registered investment advisor. Although they may provide investment information and advice to you, they do not intend that any advice given by them will serve as the primary basis for your investment decisions. Furthermore, it is our understanding that you will exercise independent judgment in making investment decisions.

Equity Trust Company is not an investment advisor and does not supervise or control your investment representative. Equity Trust Company does not endorse any particular investment. You agree to use independent judgment in making your investment decisions.

Equity Trust does not conduct, and has not conducted, a due diligence review of any investment, the issuer or sponsor of such investment, or any officer, director, person, or entity affiliated with such investment. I further understand that Equity Trust does not review, and has not reviewed, the merits of any investment or account transaction or whether it is acceptable under the Employee Retirement Income Security Act of 1974 (ERISA), the Internal Revenue Code (IRC) or any other applicable laws, including securities laws.

If an investment cannot be liquidated, it is my responsibility to ensure that I can satisfy any mandatory distribution requirements with other IRA investments.

It is your responsibility to indemnify and hold Equity Trust and its respective officers, directors, employees, agents, affiliates, successors, and assigns, harmless from, and against, any and all claims, liabilities, penalties, costs or expenses (including, without limitation, attorney fees and court and legal costs) of any nature whatsoever arising directly or indirectly by reason of, or resulting from, the purchase of the investment(s).

Contributions

Important: Forward all contributions to your brokerage firm. To make sure the contributions are associated with the proper tax year, the brokerage firm's cash statement must designate the tax year for which the contribution is made. If no year is designated, the contribution will be considered made in the tax year in which it is deposited. If you make a Rollover, the brokerage firm's cash statement must indicate "RO" next to the asset(s) received.

Note: With the exception of rollovers, contributions in excess of the allowable amount per year (as indexed), plus excess of allowable catch-up contributions (as indexed) (or such limits as may be established by law) cannot be accepted. Do not over-invest as this will cause a debit balance and may disqualify your IRA. Commissions are part of the cost of the investment and may not be paid separately.

Mailing Instructions

Your brokerage firm will typically provide the necessary documents to Equity Trust on your behalf. However, if you have any documents to send to Equity Trust, please send to the following:

If sent First Class, address to:

Equity Trust
Company Attn:
DTS
P. O. Box 45274
Westlake, OH 44145

If sent by a courier service, address to:

Equity Trust
Company Attn:
DTS
1 Equity Way
Westlake, OH 44145

Fair Market Value

As a non-depository directed trustee, we are required to submit the December 31 fair market value of your account to the Internal Revenue Service each year. We request this information annually from your brokerage/investment firm and provide it to the IRS. If your brokerage/investment firm does not provide this information, we will request this information from you. In the event that we do not receive the fair market value of your account, we will report the last value reported to us to the IRS. We strongly recommend that you carefully monitor your account at all times and contact your brokerage/investment firm if you do not receive a statement with the December 31 fair market value of your account by January 31.

Records

It is extremely important for you to keep good records covering your contributions and investments. Remember that you assume the responsibility for filing all Federal and State tax returns and forms required as an Account Holder of a Traditional, Roth, Rollover, or SEP IRA.

(Note: Our Federal Tax ID number should appear when opening cash accounts. It is 05-0552743. When a cash account is opened, Account Holder must receive a statement).



See the instructions for Traditional, Roth, and SEP IRAs in the instructions section of the application package following this application.

Check One:

☐ New Contribution Year _____ ☐ Transfer from another IRA

Check One:

☐ Traditional ☐ Roth ☐ Rollover/Traditional ☐ Rollover/Roth ☐ SEP IRA ☐ Inherited IRA ☐ Inherited Roth IRA

1 Please Complete the Following Information

NAME

MAILING ADDRESS (if different, may use P. O. Box)

CITY

STATE

ZIP CODE

PHONE NUMBER

DATE OF BIRTH

SOCIAL SECURITY NUMBER

CITIZENSHIP

- ☐ U.S. Citizen ☐ U.S. Citizen living abroad
- ☐ U.S. Citizen with Dual Citizenship with another country - Other Country of Citizenship _____
- ☐ Permanent U.S. Resident Alien

2 Beneficiary(ies):
(If more than one Primary Beneficiary is listed, percentage is required and must total 100%)

Primary Beneficiary(ies)	Percentage	Relationship	Date of Birth	Social Security Number
	%			
	%			
	%			
	%			

Contingent Beneficiary(ies): (Replaces Primary noted above if all Primary predecease the Account Holder)

	%			
	%			
	%			
	%			

Note:

- Please consult with your tax and/or legal advisor on the enforceability of your beneficiary designation under your particular state laws.
- If your designated beneficiary is your spouse, (designated either by name or relationship or both), your divorce or annulment or other legal termination of your marriage will automatically revoke your beneficiary designation.
- If you name a trust as beneficiary of your IRA, please include the date of trust creation.



I appoint Equity Trust Company to serve as Trustee. By making the appointment, I agree to and acknowledge the following:

1. I have read and understand the Individual Trust Agreement ("Trust Agreement"), Disclosure Statement, and Schedule of Trustee Fees, I agree to abide by the terms of the IRA documents listed above and confirm all information above is accurate.
2. I agree to pay all applicable fees described in the Schedule of Trustee Fees, which may be changed from time to time unless my brokerage firm is paying these fees on my behalf. If I do not pay such Trustee fees directly, I authorize my investment representative as "custodian" to debit such Trustee fees from my retirement plan account in accordance with the Trust Agreement.
3. I understand Equity Trust Company is not an investment advisor and does not supervise or control my investment representative. Equity Trust Company does not endorse any particular investment. I agree to use independent judgment in making my investment decisions.
4. I understand that this is a self-directed account and that I am solely responsible for selecting and managing my investments. I understand that neither Equity Trust, nor their agent, has a duty to question my direction (or the direction of any investment manager if one has been appointed for my account in accordance with the Trust Agreement) to purchase any investment in the self-directed brokerage account, to make suggestions regarding the investment, retention, or disposition of any assets held in the account, or to monitor any asset on an ongoing basis.
5. I understand that Equity Trust does not conduct, and has not conducted, a due diligence review of any investment, the issuer or sponsor of such investment, or any officer, director, person, or entity affiliated with such investment. I further understand that Equity Trust does not review, and has not reviewed, the merits of any investment or account transaction or whether it is acceptable under the Employee Retirement Income Security Act of 1974 (ERISA), the Internal Revenue Code (IRC) or any other applicable laws, including securities laws.
6. I represent that I will obtain and read all pertinent information relating to my investments, as applicable (i.e. prospectus, annual reports). I understand that Equity Trust is not responsible for obtaining, providing or retaining this information.
7. I agree to consult with an attorney, tax advisor, and investment advisor to review the suitability of any investment I purchase in the self-directed account, if necessary.
8. I understand that certain transactions are prohibited under IRC §4975 and ERISA §406 and that I am responsible for ensuring that account investments or transactions do not constitute a prohibited transaction.
9. I understand that if an investment cannot be liquidated, it is my responsibility to ensure that I can satisfy any mandatory distribution requirements with other IRA investments.
10. I understand that Equity Trust is a non-depository trust company and will not hold negotiable certificates. I also understand that I cannot hold the certificates. I agree that, if an investment issues certificates, I will have established an account with a brokerage firm to hold the certificates and that I have verified with the brokerage firm that it can hold the certificates for this investment. I further agree that if I change brokerage firms it will be my responsibility to ensure the new firm can also hold the certificates and notify Equity Trust of the change.
11. I agree to pay all fees that may be charged by the brokerage firm or investment sponsor to liquidate and/or re-register the account in the event the Equity Trust resigns for any reason.
12. I hereby agree to indemnify and hold Equity Trust and its respective officers, directors, employees, agents, affiliates, successors, and assigns, harmless from, and against, any and all claims, liabilities, penalties, costs or expenses (including, without limitation, attorney fees and court and legal costs) of any nature whatsoever arising directly or indirectly by reason of, or resulting from, the purchase of the investment(s).
13. Upon an IRA account opened at Equity Trust, your application will be deemed accepted and Equity Trust will be appointed as trustee.

APPLICANT'S SIGNATURE

DATE



3 To be Completed by Representative

REPRESENTATIVE'S NAME		FIRM	
ADDRESS		INDIVIDUAL'S ACCOUNT NUMBER	
PHONE NUMBER		EMAIL ADDRESS	

4 Additional Information for Inherited IRA (Required for all inherited IRAs)

I am the Beneficiary of the following IRA (Complete Decedent information)

NAME		DATE OF BIRTH
DATE OF DEATH	SOCIAL SECURITY NUMBER	ACCOUNT NUMBER

If the decedent's IRA is held at another firm, an inherited IRA must be established at the other firm before transferring to Equity Trust Company. Please forward a certified copy of the death certificate with the application.

I am a

- ☐ Spouse Beneficiary
- ☐ Non-Spouse Beneficiary _____ (example: brother/sister/niece)
- ☐ Entity Beneficiary _____ (example: charitable institution)
- ☐ Trust Beneficiary (Please supply the first page and signature page of the document.)



1 CUSTOMER INFORMATION

NAME		ACCOUNT NUMBER	
ADDRESS	CITY	STATE	ZIP CODE
SOCIAL SECURITY NUMBER	DATE OF BIRTH	DAYTIME PHONE NUMBER	

2 CERTIFICATION

Please select the appropriate choice.

- ☐ Traditional IRA or SIMPLE IRA to Traditional IRA Rollover
I certify:
1. It has been less than 60 days since I received the funds or property being deposited.
 2. I did not receive any other distributions from an IRA during the preceding 12 months which I also rolled over.
 3. The assets involved in this rollover have not been rolled over in the past 12 months.
 4. If applicable, I have satisfied my required minimum distribution for the year.
 5. SIMPLE IRA only - it has been at least two (2) years since I first began participating in a SIMPLE IRA plan sponsored by my employer.
- ☐ Roth IRA to Roth IRA Rollover
I certify:
1. It has been less than 60 days since the funds or property being deposited.
 2. I did not receive any other distributions from an IRA during the preceding 12 months which you also rolled over.
 3. The assets involved in this rollover have not been rolled over in the past 12 months.
- ☐ Rollover or Direct Rollover from Qualified Plan to a Traditional IRA
I certify:
1. I am an eligible participant (participant, spouse beneficiary, or former spouse due to divorce).
 2. It has been less than 60 days since I received the funds or property being deposited.
 3. I received these funds from an eligible qualified retirement plan.
 4. If applicable, I have satisfied my required minimum distribution for the year.
 5. The rollover consists only on funds or property distributed from the qualified plan or the proceeds from the sale of the property distributed from the qualified plan.
 6. All of the funds included are eligible to be rolled over.
- ☐ Traditional IRA to a Roth IRA Rollover (Indirect conversion)
I certify:
1. It has been less than 60 days since I received the funds or property being deposited.
 2. If applicable, I have satisfied my required minimum distribution for the year.

3 SIGNATURE AND DATE

I am familiar with and understand the rollover rules and conditions. I certify that I met the requirements for making a rollover contribution. Due to the important tax consequences of rolling over funds or property to an IRA, I understand that the Trustee cannot and has not provided tax advice. I release, indemnify and hold the Trustee harmless against any liabilities I may incur as a result of this transaction. By signing this agreement, I understand that I have irrevocably designated this contribution as a rollover contribution.

SIGNATURE	DATE
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Traditional/SEP IRA Disclosure Statement



Equity Trust Company's IRA Disclosure Statement is a summary of the general requirements set forth by the Internal Revenue Service Regulations. These Regulations require that certain information is disclosed to individuals who are establishing an Individual Retirement Account ("IRA"). By executing the Equity Trust Company Application, you acknowledge receipt of this Disclosure Statement.

RIGHT TO REVOKE YOUR IRA

If you receive this Disclosure Statement at the time you establish your IRA, you have the right to revoke your IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the Custodian at the address listed on the Application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF AN IRA

- A. **CASH CONTRIBUTIONS** - Your contribution must be in cash unless it is a rollover contribution.
- B. **MAXIMUM CONTRIBUTION** - The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$7,000 for 2025 with possible cost of living adjustments in future years. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRAs (i.e., IRAs subject to Internal Revenue Code (Code) sections 408(a) or 408(b)) is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.
- C. **CONTRIBUTION ELIGIBILITY** - In order to make a contribution to an IRA for a year, you must receive compensation (or earned income) for that year. Earned income can be wages, salary, tips and other amounts for providing services but does not include earning and profits from property. For 2024 and later tax years, you may make a regular contribution to your IRA at any age if you have compensation.
- D. **CATCH-UP CONTRIBUTIONS** - If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution to your IRA is \$1,000 per year.
- E. **NON-FORFEITABILITY** - Your interest in your IRA is non-forfeitable.
- F. **ELIGIBLE CUSTODIANS** - The Custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **COMMINGLING ASSETS** - The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **LIFE INSURANCE** - No portion of your IRA may be invested in life insurance contracts.
- I. **COLLECTIBLES** - You may not invest the assets of your IRA in collectibles (within the meaning of Code section 408(m)). A

collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in Code section 408(m)(3)) are also permitted as IRA investments.

- J. **REQUIRED MINIMUM DISTRIBUTIONS** - You are required to take minimum distributions from your IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the IRA distribution rules.

1. **RMDs for 2023 and Beyond** - Beginning in 2023, if you were born in 1951 or later, you are required to take a minimum distribution from your IRA for the year in which you reach age 73 and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 73. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
2. **RMDs Prior to 2023** - If you were born before July 1, 1949, you were required to take your first RMD from your IRA for the year in which you attained age 70½ and for each year thereafter. If you were born on or after July 1, 1949, but before January 1, 1951, you were required to take your first RMD from your IRA for the year in which you attained age 72 and for each year thereafter.
3. **The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS.** If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the required minimum distribution is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

We reserve the right to do any one of the following by your required beginning date:

- (a) make no distribution until you give us a proper withdrawal request;
- (b) distribute your entire IRA to you in a single sum payment, or
- (c) determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise.

If you fail to remove an RMD, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is timely corrected manner, the penalty tax is further reduced to 10 percent. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed, whichever is earlier.

K. BENEFICIARY DISTRIBUTIONS – Upon your death, your beneficiaries of your IRA Account are required to take distributions pursuant to Sections 401(a)(9) of the IRC and Treasury Regulation 1.408-8. These requirements are summarized as follows:

1. Death of IRA Owner Before January 1, 2020 - Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death, who remains your beneficiary(ies) as of September 30 of the year following the year of your death. If you die,

- (a) on or after your required beginning date, distributions must be made to your beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies), or your remaining life expectancy. If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.
- (b) before your required beginning date, the entire amount remaining in your Account will, at the election of your designated beneficiary(ies), either
 - (i) be distributed by December 31 of the year containing the fifth anniversary of your death, or
 - (ii) be distributed over the remaining life expectancy of your designated beneficiary(ies).

Your designated beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained RMD age (as described above), if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire IRA will be deemed to elect to treat your IRA as his or her own by either (i) making contributions to your IRA or (ii) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

2. Death of IRA Owner On or After January 1, 2020 - Upon your death, the entire amount in your IRA Account will be distributed by December 31 of the year containing the 10th anniversary of your death unless you have an eligible designated beneficiary under Treasury Regulations or you have no designated beneficiary for purposes of determining a

distribution period. This requirement applies to beneficiaries regardless of whether you die before, on, or after your required beginning date. If your beneficiary is an eligible designated beneficiary, the entire amount in your IRA Account can be distributed over the remaining life expectancy of your eligible designated beneficiary (or a period not exceeding that life expectancy).

An eligible designated beneficiary under Treasury Regulations is a designated beneficiary who is (1) your surviving spouse; (2) your child who has not yet reached the age of majority; (3) disabled [determined by a physician that the impairment can be expected to result in death or to be of long, continued and indefinite duration]; or (4) chronically ill [defined as someone who is (1) unable to perform without substantial assistance from another individual at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.]. Special rules apply to trust beneficiaries and distributions for those trust beneficiaries.

Life expectancy distributions to an eligible designated beneficiary must begin by December 31 of the year following the year of your death. If your spouse, however, is the eligible designated beneficiary, distributions need not begin until the year you would have reached the RMD age (as described above), if later. If your eligible designated beneficiary is your minor child, the life expectancy payments must begin by December 31 of the year following the year of your death and will continue until your child reaches the age of majority. Then, the eligible designated beneficiary will have 10 years from that date to distribute the IRA Account.

If you name a beneficiary other than a person (such as a trust, estate, or charity), we will treat you as having not designated a beneficiary for your IRA Account for purposes of determining the distribution period. If you die before your required beginning date and there is no designated beneficiary of your IRA Account, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary date of your death. If you die on or after your required beginning date and there is no designated beneficiary of your IRA Account, distributions will begin using your single life expectancy, reduced by one in each subsequent year.

A spouse who is the sole designated beneficiary of your entire IRA will be deemed to elect to treat your IRA as his or her own by either (i) making contributions to your IRA or (ii) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

If your beneficiary fails to take a required minimum distribution after your death, an additional penalty tax of 25 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 with his or her income tax return to report and pay any additional penalty taxes to the IRS. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to 10 percent.

RMDs and life expectancy payments for beneficiaries were waived for the tax year 2020. If the five year rule is applicable to an IRA, the five year period is determined without considering tax year 2020, due to this waiver.

INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

A. IRA DEDUCTIBILITY - If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution.

Definition of Active Participant - Generally, you will be an active participant if you are covered by one or more of the following employer-maintained retirement plans:

1. a qualified pension, profit sharing, 401(k), or stock bonus plan;
2. a qualified annuity plan of an employer;
3. a simplified employee pension (SEP) plan;
4. a retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under Code section 457);
5. a tax-sheltered annuity for employees of certain tax-exempt organizations or public schools;
6. a plan meeting the requirements of Code section 501(c)(18);
7. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
8. a savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan.

If you do not know whether your employer maintains one of these plans, or whether you are an active participant in it, check with your employer or your tax advisor. Also, the IRS Form W-2, Wage and Tax Statement, that you receive at the end of the year from your employer will indicate whether you are an active participant. If you are an active participant and are single, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out range maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$74,000 in 2023, your maximum deductible contribution is \$5,850 (the 2023 phase-out range maximum of \$83,000 minus your MAGI of \$74,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$6,500.)

If you are an active participant, are married and you file a joint income tax return, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$74,000 in 2023, your maximum deductible contribution is \$5,850 (the 2023 phase-out range maximum of \$83,000 minus your MAGI of \$74,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$6,500.)

Tax Year	Joint Filers Phase-out Range (minimum)(maximum)	Single Taxpayer Phase-out Range (minimum)(maximum)
2021	\$105,000 - \$125,000	\$66,000 - \$76,000
2022	\$109,000 - \$129,000	\$68,000 - \$78,000
2023	\$116,000 - \$136,000	\$73,000 - \$83,000
2024	\$123,000 - \$143,000	\$77,000 - \$87,000
2025	\$126,000 - \$146,000	\$79,000 - \$89,000

The MAGI phase-out range for an individual that is not an active participant, but is married to an active participant, is \$236,000 - \$246,000 (for 2025). If you are not an active participant in an employer-maintained retirement plan, are married to someone who is an active participant, and you file a joint income tax return with MAGI between the applicable phase-out range for the year, your maximum deductible contribution is determined as follows: (1) begin with the appropriate MAGI phase-out maximum for the year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200 you may round up to \$200.

B. CONTRIBUTION DEADLINE - The deadline for making an IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.

C. TAX CREDIT FOR CONTRIBUTIONS - For taxable years beginning on or after January 1, 2002, you may be eligible to receive a tax credit for your Traditional IRA contributions. This credit will be allowed in addition to any tax deduction that may apply and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below) and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional or Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

For 2025 Adjusted Gross Income*			Applicable %
Joint Return	Head of Household	All Other Cases	
\$1 - \$47,500	\$1 - \$35,625	\$1 - \$23,750	50%
\$47,501 - \$51,000	\$35,626 - \$38,250	\$23,751 - \$25,500	20%
\$51,001 - \$79,000	\$38,251 - \$59,250	\$25,501 - \$39,500	10%
Over \$79,000	Over \$59,250	Over \$39,500	0%

*Adjusted gross income includes foreign earned income and income from Guam, American Samoa, North Mariana Islands and Puerto Rico.

D. TAX-DEFERRED EARNINGS - The investment earnings of your IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. NONDEDUCTIBLE CONTRIBUTIONS - You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

F. TAXATION OF DISTRIBUTIONS - The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, any IRA distribution will be fully included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income.

$$\frac{\text{Aggregate Nondeductible Contributions}}{\text{Aggregate IRA Balance} \times (\text{Amount Withdrawn})} = \text{Amount Excluded from Income}$$

NOTE: Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income). Also note that the aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

HSA Funding Distributions. An individual may make a one-time transfer of funds from his or her IRA distribution directly to the IRA owner's health savings Account (HSA) without recognizing income on the distribution. The dollar amount excluded cannot exceed the annual limitation on the individual's HSA contribution for the year. The exclusion is lost if the individual ceases to be eligible to contribute to an HSA during the twelve months after the contribution. In such a case, the distribution is subject to tax and a 10-percent penalty is imposed.

Use of IRAs for Charitable Contributions

The 2012 Taxpayer Relief Act retroactively extended this provision making it available for charitable IRA transfers made in tax years beginning before January 1, 2014. (Code Sec. 408(d)(8)(F), as amended by Act Sec. 208). The Act included two elections to deal with the retroactive reinstatement of this provision:

1. A taxpayer could elect to have a distribution made in January of 2013 be treated as if it were made on December 31, 2012. (Act Sec. 208(b)(2)(A))
2. A taxpayer could elect to treat any portion of a distribution from an IRA to the taxpayer during December 2012, as a qualified charitable distribution, provided that (i) the portion was transferred in cash after the distribution to an eligible charitable organization before February 1, 2013, and (ii) except for the fact that the distribution was not originally transferred directly to the organization, the distribution otherwise met Code Sec.408(d)(8)'s requirements. (Act Sec. 208(b)(2)(B)).

G. ROLLOVERS AND CONVERSIONS - Your IRA may be rolled over to an IRA of yours, may receive rollover contributions, and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from another IRA, or from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plans. Conversion is a term used to describe the movement of Traditional IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Traditional IRA to Traditional IRA Rollovers** - Funds distributed from your IRA may be rolled over to an IRA of yours if the requirements of Code section 408(d)(3) are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from the distributing IRA (or after 2014, from any other IRA of yours) during the 12 months preceding the date you receive the distribution. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.
2. **SIMPLE IRA to Traditional IRA Rollovers** - Funds may be distributed from your SIMPLE IRA and rolled over to your IRA without IRS penalty provided; two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA (or after 2014, from any other IRA of yours) during the 12 months preceding the date you receive the distribution.
3. **Employer-Sponsored Retirement Plan to Traditional IRA Rollovers** - You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan (including trustee-to-trustee transfers to non-spouse

beneficiaries) unless it is part of a certain series of substantially equal periodic payments, a required minimum distribution, or a hardship distribution, excess deferrals, the cost of life insurance coverage, or federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator will generally be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up the amount withheld, out of pocket, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive it. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax and, if you are under age 59 1/2, the 10 percent early distribution penalty (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

4. **Traditional IRA to Employer-Sponsored Retirement Plans** - You may roll over, directly or indirectly, any eligible rollover distribution from an IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan so long as the employer-sponsored retirement plan accepts such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from an IRA that is not a part of a required minimum distribution.
5. **Traditional IRA to Roth IRA Conversions** - If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is included in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.
6. **Written Election** - At the time you make a proper rollover to an IRA, you must designate in writing to us your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- H. **TRANSFER DUE TO DIVORCE** - If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another.
- I. **RECHARACTERIZATIONS** - If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income, you may elect to treat the original contribution as having been made to the Roth IRA. You can also recharacterize a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline for the year for

which the original contribution was made. You may not recharacterize a Roth IRA conversion.

LIMITATIONS AND RESTRICTIONS

- A. **SEP PLANS** - Under a simplified employee pension (SEP) plan that meets the requirements of Code section 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information which describes the terms of your employer's SEP plan.
- B. **SPOUSAL IRA** - You may contribute to an IRA established for the benefit of your spouse regardless of your spouse's age if you are married and have compensation for the taxable year for which the contribution is made. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined compensation or \$14,000 for tax year 2025. This amount may be increased with cost-of-living adjustments in future years. However, you may not contribute more than the individual contribution limit to each IRA.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's IRA. The maximum additional contribution is \$1,000 for tax years 2025 and beyond.
- C. **DEDUCTION OF ROLLOVERS AND TRANSFERS** - A deduction is not allowed for rollover contributions or transfers.
- D. **GIFT TAX** - Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- E. **SPECIAL TAX TREATMENT** - Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to IRA distributions.
- F. **INCOME TAX TREATMENT** - Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- G. **PROHIBITED TRANSACTIONS** - If you or your beneficiary engages in a prohibited transaction with your IRA, as described in Code section 4975, your IRA will lose its tax-deferred status, and you must include the value of your Account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your IRA: (1) taking a loan from your IRA; (2) buying property for personal use (present or future) with IRA funds; or (3) receiving certain bonuses or premiums because of your IRA.
- H. **PLEDGING** - If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for the taxable year in which you pledge the assets.
- I. **LISTED TRANSACTIONS AND REPORTABLE TRANSACTIONS** - Certain transactions are or may be identified by the Internal Revenue Service as abusive tax shelter schemes or transactions. A prohibited tax shelter transaction, as described in Code section 4965, is a transaction that is a listed transaction (including a subsequently listed transaction), as described in Code section 6707A(c)(2), or a prohibited reportable transaction, which is either a confidential transaction or a transaction with contractual protection and which is a reportable transaction defined in Code section 6707A(c)(1). A listed transaction is a transaction that is the same as or substantially similar to any of the types of transactions that the IRS has determined to be a tax avoidance transaction and are identified by notice, regulation or other form of published guidance as a listed transaction. A confidential transaction is a

transaction that is offered under conditions of confidentiality and for which a minimum fee was paid. A transaction with contractual protection is a transaction for which the party to the transaction has the right to a full or partial refund of fees if all or part of the intended tax consequences from the transaction are not sustained or with respect to which fees are contingent on the realization of tax benefits from the transaction.

As a type of tax-exempt entity subject to the prohibited tax shelter transaction rules, an IRA is required to file IRS Form 8886-T to disclose information with respect to each prohibited tax shelter transaction, entered into after May 17, 2006, to which it is a party. If the IRA participates in a reportable transaction (as defined in Treasury Regulations section 1.6011-4) the IRA also may be required to file IRS Form 8886. These forms must be filed by the entity manager, who in the case of a self-directed IRA, is the IRA owner who approved or caused the IRA to be a party to the transaction. Code section 6011(g) also requires a taxable party to a prohibited tax shelter transaction to disclose to the IRA Custodian that such transaction has occurred. In addition to the reporting and disclosure requirements, an IRA entity manager may be liable for excise taxes in connection with the prohibited tax shelter transaction. IRS Form 5330 is to be used for reporting such excise taxes. Additional penalties are imposed by Code section 6662A for failure to disclose required information with respect to prohibited tax shelter transactions.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** - If you are under age 59½ and receive an IRA distribution, an additional tax of 10 percent will apply, unless made on Account of 1) death; 2) disability [with a qualifying physician determination]; 3) qualified birth or adoption for distributions during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized, up to \$5,000 for each birth or adoption; 4) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary taken for the longer of five years or until you reach age 59 ½; 5) unreimbursed medical expenses allowable as a deduction under Code 213, 6) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 7) certain qualified education expenses, 8) first-time home purchases (up to a life-time maximum of \$10,000 and used within 120 days of receipt), 9) a levy issued by the IRS, 10) being called to active military duty if the distribution meets the requirement to be a qualified reservist distribution (i.e., called to active duty for at least 180 days or an indefinite period and made during the period from the date when ordered or called and ending at the close of the active duty period), 11) terminal illness, 12) qualified disaster recovery distribution, 13) domestic abuse, or 14) emergency personal expenses. This additional tax will apply only to the portion of a distribution which is includible in your taxable income.
- B. **EXCESS CONTRIBUTIONS AND PENALTY** - An additional tax of six percent is imposed upon any excess contribution you make to your IRA which is not removed timely. This additional tax will apply each year in which an excess remains in your IRA and not removed timely. An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute. An excess contribution may be corrected by withdrawing the excess amount, along with the earnings, attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess in your taxable income in the year in which the contribution was made and the six percent excess contribution penalty tax will be avoided. However, if you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount

of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the IRA Account. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit. If you do not withdraw the excess contribution, you can carry forward the contribution for a subsequent tax year and you can under-contribute for that tax year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

- C. **PENALTY REPORTING** - You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.
- D. **PROHIBITED TAX SHELTER TRANSACTION EXCISE TAX** - If you, as entity manager of your IRA, approve or otherwise cause your IRA to be a party to a prohibited tax shelter transaction during the taxable year and you know or have a reason to know the transaction is a prohibited tax shelter transaction, you must pay an excise tax under Code section 4965(b)(2). You must file IRS Form 5330 to report this tax.
- E. **REPAYMENTS OF CERTAIN DISTRIBUTIONS**

1. **Qualified Birth or Adoption Distributions.** If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to an IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.
2. **Terminal Illness Distributions.** If you have taken a distribution due to a terminal illness, you may generally pay all or a portion of the aggregate amount of such distribution to an IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.
3. **Domestic Abuse Distributions.** Beginning in 2024, if you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to an IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.
4. **Emergency Personal Expense Distributions.** Beginning in 2024, if you had taken an emergency personal expense distribution, the distribution may be repaid within a three-year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.
5. **Qualified Disaster Recovery Distributions.** If you have taken a qualified disaster recovery distribution, the distribution may be recontributed to an IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or refer to the IRS website at www.irs.gov.

OTHER INFORMATION

- A. **IRS PLAN APPROVAL** - Articles I through VII of the Equity Trust Traditional Individual Retirement Custodial Account Agreement reflect the precise language of the corresponding articles of the

IRS Model Traditional Individual Retirement Custodial Account Agreement (Form 5305-A). Therefore, your Equity Trust Traditional Individual Retirement Custodial Account Agreement is treated as satisfying all applicable IRS requirements as to the form of the IRA, without the need for specific IRS approval. However, because this treatment relates to the form of the IRA only, nothing in your Custodial Account Agreement constitutes an endorsement of, or a determination or opinion of the merits or consequences of, any action in connection with the operation of your Traditional IRA or of any investments made.

- B. **NO PREDICTION, REPRESENTATION OR GUARANTEE OF FUTURE VALUE** - The value of your IRA at any time will depend on the amount of contributions to it, the performance of its investments as selected by you or your Authorized Agent, and the time and amount of charges to and payments from it. Equity Trust does not predict, represent, or guarantee the value of your IRA at any future time.
- C. **NON-DEPOSIT INVESTMENTS NOT INSURED BY FDIC** - Non-deposit investments, such as, but not limited to stocks, bonds, mutual funds, real property and private placements, of the IRA are not FDIC insured and are subject to investment risks, including the loss of principal.
- D. **QUALIFIED RESERVIST DISTRIBUTIONS** - If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your IRA or retirement plan, you may recontribute those amounts to an IRA generally within a two-year period from your date of return.
- E. **QUALIFIED CHARITABLE DISTRIBUTIONS** - If you are age 70½ or older, you may be eligible to take tax-free IRA distributions of up to \$105,000 per year and have these distributions paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2025. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.
- F. **DISASTER RELATED RELIEF** - If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, a federally declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more.

Qualified Disaster Recovery Distributions. If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day

after the date the distribution was received.

Repayments of Withdrawals for Home Purchase. If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

- G. **ADDITIONAL INFORMATION** - You may obtain further information on IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590-A and IRS Publication 590-B, Individual Retirement Arrangements, by calling 1-800-TAX-FORM, or by visiting www.irs.gov.

Roth IRA Disclosure Statement



Equity Trust Company's Roth IRA Disclosure Statement is a summary of the general requirements set forth by the Internal Revenue Service Regulations. These Regulations require that certain information is disclosed to individuals who are establishing a Roth Individual Retirement Account ("IRA"). By executing the Equity Trust Company Application, you acknowledge receipt of this Disclosure Statement.

RIGHT TO REVOKE YOUR IRA

If you receive this Disclosure Statement at the time you establish your Roth IRA, you have the right to revoke your Roth IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the Custodian at the address listed on the Application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your Roth IRA, please call the Custodian at the telephone number listed on the Application.

REQUIREMENTS OF A ROTH IRA

- A. **CASH CONTRIBUTIONS** - Your contribution must be in cash unless it is a rollover or conversion contribution.
- B. **MAXIMUM CONTRIBUTION** - The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$7,000 for 2025, with possible cost of living adjustments in future years. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation. However, if you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA Account, you may recontribute those amounts to your Roth IRA Account within a two-year period from your date of return.

As indicated by the chart below, your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds certain threshold amounts depending upon whether you are a married individual filing a joint income tax return, or you are a single individual. If your modified adjusted gross income equals or exceeds the maximum level indicated for your category of taxpayer, you may not fund a Roth IRA.

Tax Year	Joint Filers Phase-out Range (minimum)(maximum)	Single Taxpayer Phase-out Range (minimum)(maximum)
2022	\$204,000 - \$214,000	\$129,000 - \$144,000
2023	\$218,000 - \$228,000	\$138,000 - \$153,000
2024	\$230,000 - \$240,000	\$146,000 - \$161,000
2025	\$236,000 - \$246,000	\$150,000 - \$165,000

Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA.

For example, in 2024, if you are married filing a joint income tax return and your MAGI is between \$230,000-\$240,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$240,000; (2) divide the difference by \$10,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older.

For example, in 2024, if you are single and your MAGI is between \$146,000-\$161,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$161,000; (2) divide the difference by \$15,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older.

- C. **CONTRIBUTION ELIGIBILITY** - In order to make a contribution to an IRA for a year, you must receive compensation (or earned income) for that year. Earned income can be wages, salary, tips and other amounts for providing services but does not include earning and profits from property. You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.
- D. **CATCH-UP CONTRIBUTION** - If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution to your Roth IRA is \$1,000 per year.
- E. **NON-FORFEITABILITY** - Your interest in your Roth IRA is non-forfeitable.
- F. **ELIGIBLE CUSTODIANS** - The Custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **COMMINGLING ASSETS** - The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **LIFE INSURANCE** - No portion of your Roth IRA may be invested in life insurance contracts.
- I. **COLLECTIBLES** - You may not invest the assets of your Roth IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state- issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in Code section 408(m)(3)) are also permitted as Roth IRA investments.
- J. **BENEFICIARY DISTRIBUTIONS** - Upon your death, your beneficiaries of your Roth IRA Account are required to take distributions pursuant to Sections 401(a)(9) of the IRC and

Treasury Regulation 1.408-8. These requirements are summarized as follows:

1. **Death of IRA Owner Before January 1, 2020** - Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death who remains your beneficiary(ies) as of September 30 of the year following the year of your death. The entire amount remaining in your Account will, at the election of your beneficiary(ies), either,
 - (i) be distributed by December 31 of the year containing the fifth anniversary of your death, or
 - (ii) be distributed over the remaining life expectancy of your designated beneficiary(ies).

Your designated beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained RMD age, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

2. **Death of IRA Owner On or After January 1, 2020** - Upon your death, the entire amount in your IRA Account will be distributed by December 31 of the year containing the 10th anniversary of your death unless you have an eligible designated beneficiary under Treasury Regulations or you have no designated beneficiary for purposes of determining a distribution period. This requirement applies to beneficiaries regardless of whether you die before, on, or after your required beginning date. If your beneficiary is an eligible designated beneficiary, the entire amount in your IRA Account can be distributed over the remaining life expectancy of your eligible designated beneficiary (or a period not exceeding that life expectancy).

An eligible designated beneficiary under Treasury Regulations is a designated beneficiary who is (1) your surviving spouse; (2) your child who has not yet reached the age of majority; (3) disabled [determined by a physician that the impairment can be expected to result in death or to be of long, continued and indefinite duration]; or (4) chronically ill [defined as someone who is (1) unable to perform without substantial assistance from another individual at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.] Special rules apply to trust beneficiaries and distributions for those trust beneficiaries.

Life expectancy distributions to an eligible designated

beneficiary must begin by December 31 of the year following the year of your death. If your spouse, however, is the eligible designated beneficiary, distributions need not begin until the year you would have reached RMD age. If your eligible designated beneficiary is your minor child, the life expectancy payments must begin by December 31 of the year following the year of your death and will continue until your child reaches the age of majority. Then, the eligible designated beneficiary will have 10 years from that date to distribute the IRA Account.

If you name a beneficiary other than a person (such as a trust, estate or charity), we will treat you as having not designated a beneficiary for your IRA Account for purposes of determining the distribution period. If you die before your required beginning date and there is no designated beneficiary of your IRA Account, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary date of your death. If you die on or after your required beginning date and there is no designated beneficiary of your IRA Account, distributions will begin using your single life expectancy, reduced by one in each subsequent year.

A spouse who is the sole designated beneficiary of your entire IRA will be deemed to elect to treat your IRA as his or her own by either (i) making contributions to your IRA or (ii) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

If your beneficiary fails to take a required minimum distribution after your death, an additional penalty tax of 25 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 with his or her income tax return to report and pay any additional penalty taxes to the IRS. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to ten 10 percent.

INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

- A. **CONTRIBUTIONS NOT DEDUCTED** - No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.
- B. **CONTRIBUTION DEADLINE** - The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your Roth IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.
- C. **TAX CREDIT FOR CONTRIBUTIONS** - You may be eligible to receive a tax credit for your Traditional or Roth IRA contributions. This credit will be allowed in addition to any tax deduction that may apply and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are
 - age 18 or older as of the close of the taxable year,
 - not a dependent of another taxpayer, and
 - not a full-time student.

The credit is based upon your income (see chart below) and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional or Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years

prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

For 2025 Adjusted Gross Income*			Applicable %
Joint Return	Head of Household	All Other Cases	
\$1 - \$47,500	\$1 - \$35,625	\$1 - \$23,750	50%
\$47,501 - \$51,000	\$35,626 - \$38,250	\$23,751 - \$25,500	20%
\$51,001 - \$79,000	\$38,251 - \$59,250	\$25,501 - \$39,500	10%
Over \$79,000	Over \$59,250	Over \$39,500	0%

*Adjusted gross income includes foreign earned income and income from Guam, American Samoa, North Mariana Islands and Puerto Rico.

D. **TAX-DEFERRED EARNINGS** - The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

E. **TAXATION OF DISTRIBUTIONS** - The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a non-qualified distribution.

1. **Qualified Distributions** - Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on Account of one of the following events:

- attainment of age 59 1/2,
- disability,
- the purchase of a first home, or
- death.

For example, if you made a contribution to your Roth IRA for 2015, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2020.

2. **Non-qualified Distributions** - If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59 1/2, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA Account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your non-qualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These "ordering rules" are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

F. **REQUIRED MINIMUM DISTRIBUTIONS** - You are not required to take distributions from your Roth IRA as required for Traditional and SIMPLE IRAs. However, your beneficiary is generally required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this Disclosure Statement regarding beneficiary's required minimum distributions.

G. **ROLLOVERS AND CONVERSIONS** - Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA to Roth IRA Rollovers** - Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Roth IRA to Roth IRA rollover from the distributing Roth IRA (or after 2014, from any other IRA of yours) during the 12 months preceding the date you receive the distribution. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.

2. **Traditional IRA to Roth IRA Conversions** - If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income purposes, and is included in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty. If you are required to take a minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.

3. **SIMPLE IRA to Roth IRA Conversions** - You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

4. **Rollovers from Employer-Sponsored Retirement Plans** - Effective after 2007, if you satisfy certain requirements, you may directly roll over distributions from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan into your Roth IRA.

5. **Written Election** - At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to us your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

H. **TRANSFER DUE TO DIVORCE** - If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal

separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

- I. **RECHARACTERIZATIONS** - If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income, you may elect to treat the original contribution as having been made to the Roth IRA. You can also recharacterize a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion.

LIMITATIONS AND RESTRICTIONS

- A. **SPOUSAL ROTH IRA** - You may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. For contributions made for 2020 and later tax years, you may contribute to a Roth IRA established for the benefit of your spouse regardless of your spouse's age if you are married and have compensation for the taxable year for which the contribution is made. You must file a joint income tax return for the year for which the contribution is made. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or \$14,000 for tax year 2024. This amount may be increased with cost-of-living adjustments in future years. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA.

- B. **GIFT TAX** - Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- C. **SPECIAL TAX TREATMENT** - Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.
- D. **INCOME TAX TREATMENT** - Any non-qualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- E. **PROHIBITED TRANSACTIONS** - If you or your beneficiary engages in a prohibited transaction with your Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you must generally include the value of the earnings in your Account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal use (present or future) with Roth IRA funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.
- F. **PLEDGING** - If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

- G. **LISTED TRANSACTIONS AND REPORTABLE TRANSACTIONS** - Certain transactions are or may be identified by the Internal Revenue Service as abusive tax shelter schemes or transactions. A prohibited tax shelter transaction, as described in Code section 4965, is a transaction that is a listed transaction (including a subsequently listed transaction), as described in Code section 6707A(c)(2), or a prohibited reportable transaction, which is either a confidential transaction or a transaction with contractual protection and which is a reportable transaction defined in Code section 6707A(c)(1). A listed transaction is a transaction that is the same as or substantially similar to any of the types of transactions that the IRS has determined to be a tax avoidance transaction and are identified by notice, regulation or other form of published guidance as a listed transaction. A confidential transaction is a transaction that is offered under conditions of confidentiality and for which a minimum fee was paid. A transaction with contractual protection is a transaction for which the party to the transaction has the right to a full or partial refund of fees if all or part of the intended tax consequences from the transaction are not sustained or with respect to which fees are contingent on the realization of tax benefits from the transaction.

As a type of tax-exempt entity subject to the prohibited tax shelter transaction rules, a Roth IRA is required to file IRS Form 8886-T to disclose information with respect to each prohibited tax shelter transaction, entered into after May 17, 2006, to which it is a party. If the Roth IRA participates in a reportable transaction (as defined in Treasury Regulations section 1.6011-4) the Roth IRA also may be required to file IRS Form 8886. These forms must be filed by the entity manager, who in the case of a self-directed Roth IRA, is the Roth IRA owner who approved or caused the Roth IRA to be a party to the transaction. Code section 6011(g) also requires a taxable party to a prohibited tax shelter transaction to disclose to the Roth IRA Custodian that such transaction has occurred. In addition to the reporting and disclosure requirements, a Roth IRA entity manager may be liable for excise taxes in connection with the prohibited tax shelter transaction. IRS Form 5330 is to be used for reporting such excise taxes. Additional penalties are imposed by Code section 6662A for failure to disclose required information with respect to prohibited tax shelter transaction.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** - If you are under age 59½ and receive a non-qualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59 1/2 and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally apply, unless made on account of 1) death; 2) disability [with qualifying physician determination]; 3) qualified birth or adoption for distributions during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized, up to \$5,000 for each birth or adoption; 4) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary taken for the longer of five years or until you reach age 59 1/2; 5) unreimbursed medical expenses allowable as a deduction under Code Section 213, 6) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 7) certain qualified education expenses, 8) first-time home purchases (up to a life-time maximum of \$10,000 and used within 120 days of receipt); 9) a levy issued by the IRS, 10) being called to active military duty if the distribution meets the requirement to be a qualified reservist distribution (i.e., called to active duty

for at least 180 days or an indefinite period and made during the period from the date when ordered or called and ending at the close of the active duty period), 11) terminal illness, 12) qualified disaster recovery distribution, 13) domestic abuse, or 14) emergency personal expenses. This additional tax will apply only to the portion of a distribution which is includible in your taxable income.

- B. EXCESS CONTRIBUTIONS AND PENALTY** - An additional tax of six percent is imposed upon any excess contribution you make to your Roth IRA which is not removed timely. This additional tax will apply each year in which an excess remains in your Roth IRA and not removed timely. An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. An excess contribution may be corrected by withdrawing the excess amount, along with the earnings, attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. You must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made and the six percent excess contribution penalty tax will be avoided. However, if you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA Account. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit. If you do not withdraw the excess contribution, you can carry forward the contribution for a subsequent tax year and you can under-contribute for that tax year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.
- C. PENALTY REPORTING** - You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.
- D. PROHIBITED TAX SHELTER TRANSACTION EXCISE TAX** - For tax years beginning after May 17, 2006, if you, as entity manager of your Roth IRA, approve or otherwise cause your Roth IRA to be a party to a prohibited tax shelter transaction during the taxable year and you know or have a reason to know the transaction is a prohibited tax shelter transaction, you must pay an excise tax under Code section 4965(b)(2). You must file IRS Form 5330 to report this tax.
- E. REPAYMENTS OF CERTAIN DISTRIBUTIONS**
- 1. Qualified Birth or Adoption Distributions.** If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.
 - 2. Terminal Illness Distributions.** If you have taken a distribution due to a terminal illness, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.
 - 3. Domestic Abuse Distributions.** Beginning in 2024, if you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three year period beginning on the day after

the date on which such distribution was received.

- 4. Emergency Personal Expense Distributions.** Beginning in 2024, if you had taken an emergency personal expense distribution, the distribution may be repaid within a three year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made Roth IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.
- 5. Qualified Disaster Recovery Distributions.** If you have taken a qualified disaster recovery distribution, the distribution may be recontributed to a Roth IRA at any time during the three year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or refer to the IRS website at www.irs.gov.

OTHER INFORMATION

- A. IRS PLAN APPROVAL** - Articles I through VIII of the Equity Trust Roth Individual Retirement Custodial Account Agreement reflect the precise language of the corresponding articles of the IRS Model Roth Individual Retirement Custodial Account Agreement (Form 5305-RA). Therefore, your Equity Trust Roth Individual Retirement Custodial Account Agreement is treated as satisfying all applicable IRS requirements as to the form of the IRA, without the need for specific IRS approval. However, because this treatment relates to the form of the Roth IRA only, nothing in your Custodial Account Agreement constitutes an endorsement of, or a determination or opinion of the merits or consequences of, any action in connection with the operation of your Roth IRA or of any investments made.
- B. NO PREDICTION, REPRESENTATION OR GUARANTEE OF FUTURE VALUE** - The value of your Roth IRA at any time will depend on the amount of contributions to it, the performance of its investments as selected by you or your Authorized Agent, and the time and amount of charges to and payments from it. Equity Trust does not predict, represent, or guarantee the value of your Roth IRA at any future time.
- C. NON-DEPOSIT INVESTMENTS NOT INSURED BY FDIC** - Non-deposit investments, such as, but not limited to stocks, bonds, mutual funds, real property and private placements, of the IRA are not FDIC insured and are subject to investment risks, including the loss of principal.
- D. QUALIFIED RESERVIST DISTRIBUTIONS** - If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.
- E. QUALIFIED CHARITABLE DISTRIBUTIONS** - If you are age 70½ or older, you may be eligible to take tax-free Roth IRA distributions of up to \$105,000 per year and have these distributions paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2025. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.

- F. **DISASTER RELATED RELIEF** - If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, a federally declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more.

Qualified Disaster Recovery Distributions. If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

Repayments of Withdrawals for Home Purchase. If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.

- G. **ADDITIONAL INFORMATION** - You may obtain further information on Roth IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590-A and IRS Publication 590-B, Individual Retirement Arrangements, by calling 1-800-TAX-FORM, or by visiting www.irs.gov.

Traditional Individual Retirement Trust Account

(Under section 408(a) of the Internal Revenue Code)

Do not file
with the Internal
Revenue Service

Name of grantor	Date of birth of grantor	Account number
Address of grantor		Check if amendment ☐
Name of trustee	Address or principal place of business of trustee	

The grantor named above is establishing a traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The trustee named above has given the grantor the disclosure statement required by Regulations section 1.408-6.

The grantor has assigned the trust _____ dollars (\$ _____) in cash.

The grantor and the trustee make the following agreement.

Article I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

Article II

The grantor's interest in the balance in the trust account is nonforfeitable.

Article III

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the grantor's interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The grantor's entire interest in the trust account must be, or begin to be, distributed not later than the grantor's required beginning date, April 1 following the calendar year in which the grantor reaches age 70½. By that date, the grantor may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:
 - (a) A single sum or
 - (b) Payments over a period not longer than the life of the grantor or the joint lives of the grantor and his or her designated beneficiary.
3. If the grantor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - (a) If the grantor dies on or after the required beginning date and:
 - (i) The designated beneficiary is the grantor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) The designated beneficiary is not the grantor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the grantor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the grantor as determined in the year of the grantor's death and reduced by 1 for each subsequent year.
 - (b) If the grantor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below:
4. If the grantor dies before his or her entire interest has been distributed and if the designated beneficiary is not the grantor's surviving spouse, no additional contributions may be accepted in the account.
 - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the grantor's death. If, however, the designated beneficiary is the grantor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the grantor would have reached age 70½. But, in such case, if the grantor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
 - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.
5. The minimum amount that must be distributed each year, beginning with the year containing the grantor's required beginning date, is known as the "required minimum distribution" and is determined as follows.

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the grantor reaches age 70½, is the grantor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the grantor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the grantor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the grantor's (or, if applicable, the grantor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the grantor's death (or the year the grantor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the grantor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

Article V

1. The grantor agrees to provide the trustee with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The trustee agrees to submit to the Internal Revenue Service (IRS) and grantor the reports prescribed by the IRS.

Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related regulations will be invalid.

Article VII

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

Article VIII

Article VIII may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Grantor's signature	Date
Trustee's signature	Date
Witness' signature	Date

(Use only if signature of the grantor or the trustee is required to be witnessed.)

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305 is a model trust account agreement that meets the requirements of section 408(a). However, only Articles I through VII have been reviewed by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (grantor) and the trustee. To make a regular contribution to a traditional IRA for a year, the IRA must be established no later than the due date (excluding extensions) of the individual's income tax return for the year. This account must be created in the United States for the exclusive benefit of the grantor and his or her beneficiaries.

Do not file Form 5305 with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs), and **Pub. 590-B**, Distributions from Individual Retirement Arrangements (IRAs).

Definitions

Trustee. The trustee must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as trustee.

Grantor. The grantor is the person who establishes the trust account.

Traditional IRA for Nonworking Spouse

Form 5305 may be used to establish the IRA trust for a nonworking spouse.

Contributions to an IRA trust account for a nonworking spouse must be made to a

separate IRA trust account established by the nonworking spouse.

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the grantor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII. Article VIII and any that follow it may incorporate additional provisions that are agreed to by the grantor and trustee to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the trustee, trustee's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the grantor, etc. Attach additional pages if necessary.

Roth Individual Retirement Trust Account**(Under section 408A of the Internal Revenue Code)****Do not file
with the Internal
Revenue Service**

Name of grantor	Date of birth of grantor	Account number
Address of grantor		Check if amendment ☐
Name of trustee	Address or principal place of business of trustee	

The grantor named above is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The trustee named above has given the grantor the disclosure statement required by Regulations section 1.408-6.

The grantor has assigned the trust \$ _____.

The grantor and the trustee make the following agreement.

Article I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

Article II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the grantor and his or her spouse.

Article III

The grantor's interest in the balance in the trust account is nonforfeitable.

Article IV

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

Article V

1. If the grantor dies before his or her entire interest is distributed to him or her and the grantor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the grantor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the grantor's death and subtracting 1 from the divisor for each subsequent year.

3. If the grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the grantor.

Article VI

1. The grantor agrees to provide the trustee with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The trustee agrees to submit to the IRS and grantor the reports prescribed by the IRS.

Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

Article VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear below.

Article IX

Article IX may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Grantor's signature	Date
Trustee's signature	Date
Witness' signature	Date

(Use only if signature of the grantor or the trustee is required to be witnessed.)

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-R is a model trust account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (grantor) and the trustee. This account must be created in the United States for the exclusive benefit of the grantor and his or her beneficiaries.

Do not file Form 5305-R with the IRS. Instead, keep it with your records.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the grantor's gross income; and distributions after 5 years that are made when the grantor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross

income. For more information on Roth IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs), and **Pub. 590-B**, Distributions from Individual Retirement Arrangements (IRAs).

Definitions

Trustee. The trustee must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as trustee.

Grantor. The grantor is the person who establishes the trust account.

Specific Instructions

Article I. The grantor may be subject to a 6% tax on excess contributions if **(1)** contributions to other individual retirement arrangements of the grantor have been made for the same tax year, **(2)** the grantor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or **(3)** the grantor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

Article V. This article describes how distributions will be made from the Roth IRA after the grantor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the grantor's intent. Under paragraph 3 of Article V, the grantor's spouse is treated as the owner of the Roth IRA upon the death of the grantor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

Article IX. Article IX and any that follow it may incorporate additional provisions that are agreed to by the grantor and trustee to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the trustee, trustee's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the grantor, etc. Attach additional pages if necessary.

**Simplified Employee Pension—Individual
Retirement Accounts Contribution Agreement****(Under section 408(k) of the Internal Revenue Code)****Do not file
with the Internal
Revenue Service**

(Name of employer)

makes the following agreement under section 408(k) of the
Internal Revenue Code and the instructions to this form.**Article I—Eligibility Requirements** (check applicable boxes—see instructions)

The employer agrees to provide discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees who are at least _____ years old (not to exceed 21 years old) and have performed services for the employer in at least _____ years (not to exceed 3 years) of the immediately preceding 5 years. This simplified employee pension (SEP) ☐ includes ☐ **does not** include employees covered under a collective bargaining agreement, ☐ includes ☐ **does not** include certain nonresident aliens, and ☐ includes ☐ **does not** include employees whose total compensation during the year is less than \$450*.

Article II—SEP Requirements (see instructions)

The employer agrees that contributions made on behalf of each eligible employee will be:

- A.** Based only on the first \$205,000* of compensation.
- B.** The same percentage of compensation for every employee.
- C.** Limited annually to the smaller of \$41,000* or 25% of compensation.
- D.** Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

Employer's signature and date

Name and title

Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

Do not file Form 5305-SEP with the IRS. Instead, keep it with your records.

For more information on SEPs and IRAs, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

Instructions to the Employer

Simplified employee pension. A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income. Under a SEP, you can contribute to an employee's traditional individual retirement account or annuity (traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model traditional IRA established on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter. You may not make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

When not to use Form 5305-SEP. Do not use this form if you:

1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.
2. Have any eligible employees for whom IRAs have not been established.
3. Use the services of leased employees (described in section 414(n)).
4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.
5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

Note. SEPs permitting elective deferrals cannot be established after 1996.

Eligible employees. All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

Excludable employees. The following employees do not have to be covered by the

SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than \$450* in compensation during the year.

Contribution limits. You may make an annual contribution of up to 25% of the employee's compensation or \$41,000*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$205,000*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of \$41,000* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

Deducting contributions. You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the

* For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at www.irs.gov.

SEP are deductible for your tax year with or within which the calendar year ends. Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

Completing the agreement. This agreement is considered adopted when:

- IRAs have been established for all your eligible employees;
- You have completed all blanks on the agreement form without modification; and
- You have given all your eligible employees the following information:

1. A copy of Form 5305-SEP.
2. A statement that traditional IRAs other than the traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.
3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.
4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in *Instructions to the Employer and Information for the Employee*, are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

Information for the Employee

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

Simplified employee pension. A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (traditional IRA). Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation greater than \$205,000*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

Contribution limits. Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of \$41,000* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

Tax treatment of contributions. Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

Employee contributions. You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

SEP participation. If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could cause adverse tax consequences for the participating employees.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

SEP-IRA amounts—rollover or transfer to another IRA. You can withdraw or receive funds from your SEP-IRA if, within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

Withdrawals. You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals

occur before you reach age 59½, you may be subject to a tax on early withdrawal.

Excess SEP contributions. Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP-IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

Financial institution requirements. The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.
2. The tax consequences of various options concerning your IRA.
3. Participation eligibility rules, and rules on the deductibility of retirement savings.
4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
6. Financial disclosure that provides the following information:
 - a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
 - b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
 - c. States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

Paperwork Reduction Act Notice. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	1 hr., 40 min.
Learning about the law or the form	1 hr., 35 min.
Preparing the form	1 hr., 41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.

The Grantor named on the Application is establishing an individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Trustee named on the Application has given the Grantor the disclosure statement and applicable Form 5305 as required by Regulations section 1.408-6.

The Grantor and the Trustee make the following agreement:

1.0 Designation of Beneficiary

- A. The Account Holder shall designate a Beneficiary on the IRA application. The Account Holder may change the Beneficiary designation by filing a written notice with the Trustee in such manner as the Trustee deems acceptable. Changes to the Beneficiary designation must be received by the Trustee during the Account Holder's lifetime and are considered valid when they have been received and accepted by the Trustee.
- B. The Beneficiary will be entitled to the Account Holder's interest in the event of the Account Holder's death before the complete distribution of the entire interest. If the Account Holder named multiple Beneficiaries, the Beneficiaries will receive the designated portion of the Account Holder's interest.
- C. Unless the Account Holder designates in writing how distributions are to be paid, the interest in the account will be paid equally to all primary Beneficiaries, or contingent Beneficiaries if all primary Beneficiaries have died before the Account Holder.
- D. If the designation of a Beneficiary has not been made by the Account Holder at the time of the Account Holder's death, the Beneficiary shall be the Spouse of the Account Holder, or if there is no Spouse living at the time of the Account Holder's death, the Beneficiary will be the estate of the Account Holder.
- E. If the Beneficiary designated to receive payments is a minor child or declared incapacitated or incompetent by the court, the Trustee may make such payment to a court appointed guardian or legally appointed representative. The receipt of such payment by such individual shall be a full and complete discharge to the Trustee for any sums so paid.
- F. If the Trustee is unable to make a payment to a Beneficiary within six months after any such payment is due because the Trustee cannot ascertain the whereabouts or the identity of the Beneficiary by mailing to the last known address shown on the Trustee's records and such Beneficiary has not written claim for such payment before the expiration of said six-month period, then the Trustee may deposit the Beneficiary's funds in a savings account or money market mutual fund established in the name of the Beneficiary.
- G. Upon the death of the Account Holder, the Beneficiary may designate his or her own Beneficiary to receive any remaining assets in the account in the event the Beneficiary dies before a total distribution of the interest in the account occurs. Payments to the Beneficiary's Beneficiary must continue at least as rapidly as they would have been to the original Beneficiary.
- H. A designated Beneficiary may disclaim his or her interest in the account provided the disclaimer is in a form acceptable to the Trustee and complies with Code Section 2518(b).
- I. A Beneficiary is responsible for paying any fees, expenses, or taxes of the Trust in the same manner and time frame as if they were the original Account Holder.
- J. If the Beneficiary of the account is the Spouse (designated either by name or relationship or both), the dissolution, annulment or other legal termination of the Account Holder's marriage will automatically revoke such designation. An Account Holder may designate a former Spouse as a Beneficiary on a form executed following the date the Account Holder's marriage legally terminated, provided the beneficiary designation otherwise satisfies the requirements of this Trust.
- K. In the event of a dispute between two or more beneficiaries, the Trustee retains the right to apply to a court of competent jurisdiction for judicial settlement or to arbitration pursuant to Section 4.8(F). All fees and expenses incurred by the Trustee in connection with such action will be deducted from the assets of the Trust after reasonable notice is given to the beneficiaries. Such fees and expenses do not have to be approved by the court or an arbitrator.

2.0 Investments and Administration

The Trustee shall have the power and authority in the administration of this Trust to do all acts, including by way of illustration, but not in limitation of the powers conferred by law, the following:

- A. Pursuant to the Account Holder's written directions (or those of the Account Holder's agent, if applicable) and notwithstanding any provision to the contrary in this Agreement, to invest and reinvest all or any part of the Trust in (i) cash, cash equivalents, exchange traded debt or equity securities (including options thereon and collectively defined as securities), mutual fund shares, savings media, and any other investment for the Trust under applicable law, to the extent they are not prohibited by Code Section 408(m) and the regulations thereunder, and (ii) with respect to which the Trustee agrees to provide Trust services. The allowable investments shall include, without limitation, any options on any security that may be held by the Trust under this Agreement and applicable law which is obtainable through the Brokerage Firm designated in the Application, either "over the counter" or on a recognized exchange. Any and all such investments and reinvestments must be acceptable to the Trustee without any duty on the part of the Trustee to diversify the investments or to make inquiry with regard to the investments or the written directions. The Trustee may absolutely rely on such written directions for the Account Holder that the Trustee believes to be genuine and will be fully protected in doing so;
- B. To hold part or all of the Trust account uninvested or, pursuant to directions of the Account Holder to place the same in savings, share, and/

or money market accounts, and various certificates of deposits (CDs) approved by the Trustee with an institution approved by the Trustee. However, the Trustee may, but need not, establish a program under which cash deposits in excess of a minimum set by it will periodically be invested in savings, share, and/or money market accounts, and various certificates of deposits (CDs) approved by the Trustee with an institution approved by the Trustee without direction of the Account Holder or his or her agent and the terms of any such program may be determined and altered at the discretion of the Trustee;

- C. To employ suitable agents and counsel and to pay their reasonable expenses and compensations;
- D. To leave any securities or cash for safekeeping or on deposit, with or without interest, with such banks, brokers and other custodians as the Trustee may select, and to hold any securities in bearer form or in the name of the banks, brokers and other custodians or in the name of the Trustee without qualification or description or in the name of any nominee;
- E. To invest contributions for Account Holder through the facilities of the Brokerage Firm designated in the Application (or equivalent facilities maintained by any other stockbroker or investment agent selected by the Account Holder and administratively pre-approved by the Trustee);
- F. The Brokerage Firm named in the Application is designated by the Account Holder with authority to provide the Trustee with instructions, via confirmations or otherwise, implementing his or her directions to the Brokerage Firm to purchase and sell securities for his or her account. Before the entry of any orders to purchase or sell securities in this account, the Account Holder shall approve beforehand all such orders and direct the Brokerage Firm to implement his or her instructions. The Account Holder authorizes the Trustee to honor trades within his or her account without obligation to verify prior authorizations of such trades. The Brokerage Firm shall receive advice of available cash in this account and shall forward confirmation of purchases and sales to the Trustee. Selling short, and executing purchases in an amount greater than available cash are prohibited transactions. Investments in life insurance and collectibles are not permitted. No assets will be commingled. All investments outside of the brokerage account shall be accompanied by additional written instructions. Except as provided in Section 4.5(A), investments in offshore entities, foreign securities, and insurance contracts are not permitted under this Trust;
- G. Except with respect to Paragraph R below or Section 4.6, and notwithstanding anything to the contrary contained in this Trust, the Trustee shall not make any investment or dispose of any investment held in the Trust, except upon the direction of the Account Holder or his or her agent;
- H. The Trustee shall be under no duty to question any such direction of the Account Holder or his or her agent, to review any securities or other property held in the Trust, or to make suggestions to the Individual with respect to the investment, retention, or disposition of any assets held in the Trust. The Account Holder hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting or not acting pursuant to any direction from the Account Holder or his or her agent or failing to act in the absence of any such direction;
- I. In accordance with Section 404(c) under the Act and being that the Account Holder exercises control over his or her assets in this Trust which provides for his or her account such Account Holder or their Beneficiary shall not be deemed to be a fiduciary by reason of such exercise, and no person who is otherwise a fiduciary shall be liable under this Trust for any loss, or by reason of any breach, which results from such Account Holder's exercise of control;
- J. The Account Holder may appoint in writing an Investment Manager or Managers to manage (including power to acquire and dispose of) any assets of this Trust. Any such Investment Manager shall be registered as an Investment Adviser under the Investment Advisers Act of 1940 ("1940 Act"). If investment of the Trust is to be directed by an Investment Manager, the Account Holder shall deliver to the Trustee a copy of the instruments appointing the Investment Manager and evidencing the Investment Manager's acceptance of such appointment, an acknowledgment by the Investment Manager that it is a fiduciary of the Trust, and a certificate evidencing the Investment Manager's current registration under the 1940 Act. The Trustee shall be fully protected in relying upon such instruments and certificate until otherwise notified in writing by the Account Holder;

The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the Trust, or such portion thereof as shall be under management by the Investment Manager. The Trustee shall be under no duty or obligation to review any investment to be acquired, held or disposed of pursuant to such directions nor to make any recommendations with respect to the disposition or continued retention of any such investment or the exercise or non-exercise of the powers. Therefore, and in accordance with Section 405 (d) (1) under the Act, the Trustee shall have no liability or responsibility for acting or not acting pursuant to the direction of, or failing to act in the absence of any direction from, the Investment Manager, unless the Trustee knows that by such action or failure to act it would be itself committing or participating in a breach of fiduciary duty by the Investment Manager. The Account Holder hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting or not acting pursuant to any direction from the Investment Manager or failing to act in the absence of any such direction.

The Investment Manager at any time and from time to time may issue orders for the purchase or sale of securities directly to a broker; and in order to facilitate such transaction, the Trustee upon written request shall execute and deliver appropriate trading authorizations. Written notification of the issuance of each such order shall be given promptly to the Trustee by the Investment Manager, and the execution of each such order shall be confirmed by written advice via confirms or otherwise to the Trustee by the broker.

In the event that an Investment Manager should resign or be removed by the Account Holder, the Account Holder shall manage the investments pursuant to the terms of this Trust unless and until the Trustee shall be notified of the appointment of another Investment Manager with respect thereto as provided in this Paragraph L.

The Trustee shall be under no duty to question any such direction of the Account Holder or Investment Manager to review any securities

or other property held in the Trust or to make suggestions to the Account Holder or Investment Manager with respect to the investment, retention, or disposition of any assets held in the Trust.

- K. Notwithstanding anything herein contained to the contrary, the Trustee shall not lend any part of the corpus or income of the Trust to: pay any compensation for personal services rendered to the Trust; to make any part of its services available on a preferential basis to, or acquire for the Trust any property, other than cash, from or sell any property to any Account Holder, or to any member of an Account Holder's family, or to a corporation controlled by any Account Holder through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of such corporation;

All contributions made by the Account Holder and all investments made with such contributions and the earnings thereon shall be credited to an account maintained for the Account Holder by the Trustee. Such account shall reflect the amounts contributed by the Account Holder;

- L. Within ninety (90) days from the close of each Trust Year, the Trustee shall render an accounting, valuing the assets at fair market value, to the Account Holder. The accounting may consist of copies of regularly issued broker-dealer statements to the Trustee and copies of mutual fund, insurance company, and other investment summary account statements supplied to the Trustee, upon which the Trustee is entitled to rely. The Account Holder must file any exceptions or objections to the accounting with the Trustee in writing, within sixty (60) days of the mailing of such accounting. In the absence of such filing, the Account Holder shall be deemed to have approved such account; and in such case, or upon the written approval of the Account Holder of any such account, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No person other than the Account Holder may require an accounting or bring any action against the Trustee with respect to the Trust or its actions as Trustee.

The Trustee shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts for determination of any questions of construction, which may arise, or for instructions. The only necessary party defendant to such action shall be the Account Holder, except that the Trustee may, if it so elects, bring in as a party defendant any other person or persons;

- M. The Trustee shall be fully protected in acting upon any instrument, certificate, or paper believed by it to be genuine and to be signed or presented by the Account Holder or such proper person or persons, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained;
- N. The Trustee shall be under no duty to question any direction of an Account Holder or his or her agent with respect to any investments, to review or monitor any securities or other property held in Trust, or to make suggestions to the Account Holder or his or her agent with respect to investment. The Trustee will not be liable for any loss that may result by reason of investments made in accordance with the directions of an Account Holder or his or her agent;
- O. Whenever the services of a stockbroker or a dealer are required, the Trustee shall retain the Brokerage Firm designated by the Account Holder in the Application. If no Brokerage Firm is currently selected, the Trustee may, in its discretion, appoint another stockbroker or dealer to handle investments in securities under the Trust;
- P. The surviving Spouse and/or Beneficiary shall be bound by this Section 4.5, including the indemnification provisions in paragraphs J and L above regarding investments and administration of their interest. Provided, however, should the Beneficiary be a minor or, in the discretion of the Trustee, of unsound mind, the Trustee may liquidate the interest of such Beneficiary and hold such interest in an interest bearing account or money market account until distributed;
- Q. To not vote in person or by proxy upon securities held by the Trustee and destroy such proxies if received by the Trustee.

3.0 Trustee Compensation

- A. The Trustee shall be paid such reasonable compensation as shall from time to time be communicated to the Account Holder by the Trustee, and such compensation shall be chargeable to the Account Holder. The Account Holder hereby covenants and agrees to pay the same.
- B. The Trustee shall charge the Account Holder any taxes paid by it which may be imposed upon the Trust or the income thereof or upon which the Trustee is required to pay, as well as all expenses of administration of the Trust, including but not limited to transaction costs, distributions, postage, commissions, fees, and reasonable attorney fees. The Account Holder hereby covenants and agrees to pay the same.
- C. In the event the Account Holder shall at any time fail to pay the Trustee's compensation, taxes, and expenses within a reasonable time after demand for such payment has been made by the Trustee on the Account Holder, the Trustee will charge the Trust such compensation, taxes and expenses and may liquidate assets of the Trust for such purposes, as in its sole discretion, it shall determine. The custodian will and hereby agrees to collect such compensation, taxes and expenses for the Trustee as so directed by the Trustee in writing.
- D. Notwithstanding any other provision contained in this Trust Agreement, all payments under this Section 4.6 and the liquidation of assets to obtain funds therefore may be made without the approval or direction of the Account Holder. If the Trust is not sufficient to satisfy the Trustee's compensation, fees, taxes, and expenses, then the Trustee will charge the Account Holder for such unpaid compensation, fees, taxes, and expenses.

4.0 Amendment and Termination

- A. Each Account Holder who adopts this Trust delegates to the Trustee the power to amend this Trust from time to time in any respect (other than as provided in B.) without obtaining the consent or approval of the Account Holder (or Beneficiary). Any amendments will be

provided to the Account Holder.

Each Account Holder shall be deemed to have consented to any and all such amendments. In addition, the Trustee may amend the fee schedule from time to time with advance notice to the Account Holder (or Beneficiary).

The Account Holder shall be permitted to revoke this Trust in writing within a period not to exceed seven (7) days after the date that the Account Holder adopted this Trust. In the event of such revocation, the Trustee will return the entire account plus any Trustee compensation, taxes and expenses as soon as practical.

- B. Neither the Account Holder nor the Trustee shall have the right to amend or terminate this Trust in such a manner as would cause or permit all or part of the entire interest of the Account Holder to be diverted for purposes other than their exclusive benefit or that of their Beneficiary. No Account Holder shall have the right to sell, assign, discount, or pledge as collateral for a loan any asset of this Trust.
- C. An Account Holder shall have the right to terminate this Trust, at any time and from time to time, by delivering to the Trustee a signed copy of a statement of termination.
- D. Either the Trustee or the Account Holder may terminate this Trust upon thirty (30) days written notice to the other. Upon removal of the Trustee by the Account Holder, the Account Holder shall appoint a successor trustee or custodian that shall have the same powers and duties as are conferred upon the Trustee hereunder and in default thereof, such successor trustee or custodian may be appointed by a court of competent jurisdiction. In the event of resignation of the Trustee, if the Account Holder fails to appoint a successor trustee or custodian and complete the transfer of assets within 30 days of the date the Trustee mails such termination notice to the last address on file for the Account Holder or the Account Holder mails such notice to the Trustee, the Trustee may in its discretion, transfer the assets to a successor trustee or custodian of its choosing or to a successor trustee or custodian as may be appointed by a court of competent jurisdiction, or liquidate and/or distribute the assets, less any amounts withheld for Trustee compensation, taxes, and expenses, to the Account Holder. The Trustee will not be responsible for any penalties, fines, taxes, or tax consequences that may result from such distribution or transfer.
- E. Upon the delivery by the resigning or removed Trustee to its successor trustee or custodian of all property of the Trust, less such reasonable amount as it shall deem necessary to provide for its compensation and any taxes and expenses or advances chargeable or payable out of the Trust, the successor trustee or custodian shall thereupon have the same powers and duties as are conferred upon the Trustee.
- F. No successor trustee or custodian shall have any obligation or liability with respect to the acts or omissions of its predecessors.

The actual appointment and qualification of a successor trustee or custodian to whom the Trust assets may be transferred are conditions which must be fulfilled before the resignation or removal of the Trustee shall become effective. The transfer of the Trust assets shall be made coincidentally with an accounting by the resigned or removed Trustee and such resigned or removed Trustee shall endorse, transfer, convey and deliver to the successor trustee or custodian all of the funds, securities or other property then held by it under the Trust, together with such records as may be reasonably required in order that the successor trustee or custodian may properly administer the Trust.

- G. This Trust Agreement and the Trust created hereby will be terminated in the case of complete distribution of the Trust. This Trust Agreement and the Trust created hereby will also terminate at such time, as determined by the Trustee based on available information, that the investments in the Trust have no value. The Trustee will have no liability for making a no value determination.
- H. If the Trustee receives any claim to assets held in the Trust which is adverse to the Account Holder's interest or the interest of his or her Beneficiary, and the Trustee, in its absolute discretion, decides the claim is, or may be, meritorious, the Trustee may withhold distribution until the claim is resolved to its Trustee shall be entitled to reimbursement of all costs, fees and expenses, including reasonable attorney's fees, directly from the Trust assets, without the approval or direction of the Account Holder. If necessary, the Trustee may liquidate Trust assets in order to be reimbursed. As an alternative, the Trustee may deposit all or any portion of the assets in the Trust into the court. Deposit with the court shall relieve the Trustee of any further obligation with respect to the assets deposited. The Trustee has the right to be reimbursed from the funds deposited with the court for legal fees and costs incurred. Such reimbursement may be made directly from the Trust assets without approval or direction of the Account Holder. If necessary, the Trustee may liquidate Trust assets in order to be reimbursed as stated above.

5.0 Miscellaneous

- A. Notwithstanding anything to the contrary contained in this Trust Agreement or in any amendment thereto, no part of the Trust other than such part as is required to pay the Trustee's compensation, taxes, and administration expenses (including the reimbursement referenced in Section 4.7 (H)), shall be used for, or diverted to, purposes other than for the exclusive benefit of the Account Holder, their Beneficiaries, or their estates. The Trust account is established for the exclusive benefit of the Account Holder or his or her Beneficiary.
- B. The Trustee shall not be liable for any act or omission made in connection with the Trust except for its intentional misconduct or negligence. Any required notice regarding the Trust will be considered effective when the Trustee mails it to the last address of the intended recipient which is contained in the Trustee's records. Any notice to be given to the Trustee will be considered effective when the Trustee actually receives it. The Account Holder and/or Beneficiaries must notify the Trustee of any change of address in a manner acceptable to the Trustee.
- C. To the extent the Trustee is engaged in any form of litigation, arbitration, or dispute resolution concerning the Trust assets or the interest of the Trust, the Trustee shall be entitled to recover all costs, fees and expenses, including reasonable attorney's fees, directly from the Trust assets, pursuant to Section 4.7(H).
- D. The terms and conditions of this Trust Agreement shall be applicable without regard to the community property laws of any state.

- E. The captions of Articles and Sections in this Trust Agreement are included for convenience only and shall not be considered a part of, or an aid to, the construction of this Trust.
- F. The Account Holder agrees that all controversies between the Account Holder and/or Beneficiaries and the Trustee and any of its officers, directors, agents or employees (present or former) concerning or arising from (i) any account maintained with the Trustee by the Account Holder; (ii) any transaction involving the Account Holder's account, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this Trust Agreement, whether such controversy arose prior, on or subsequent to the date hereof, shall be determined by instituting a lawsuit in the county courts of Cuyahoga County, Ohio where custodian maintains a principal place of business. The Account Holder and/or Beneficiaries agree to submit to such jurisdiction both in connection with any suit filed by an Account Holder and/or Beneficiary against the Trustee or any suit filed by the Trustee against such Account Holder and/or Beneficiary.
- G. The determination that any provision of this Trust Agreement is not enforceable in accordance with its terms in a particular jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Trust Agreement generally or in any other jurisdiction or as to any other parties, but rather such unenforceable provisions shall be stricken or modified in accordance with such determination only as to such parties and this Trust Agreement, as so modified, shall continue to bind the specific parties involved therein and otherwise all other parties in unmodified form.
- H. All contributions to this Trust shall be deemed to take place in the State of South Dakota.
- I. This Trust Agreement is executed by signing the Application (in a manner acceptable to the Trustee), which may be executed in any number of counterparts, each one of which shall be deemed to be the original although the others shall not be produced.
- J. This Trust Agreement is made pursuant to and shall be construed in accordance with the laws of the State of South Dakota.
- K. The Trustee shall furnish annual calendar-year reports concerning the status of the Account and such information concerning required minimum distribution as is prescribed by the Commissioner of Internal Revenue.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305 is a model trust account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Grantor) and the Trustee and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Grantor and his or her beneficiaries.

Do not file Form 5305 with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the Trustee must give the Grantor, see Pub. 590, Individual Retirement Arrangements (IRAs).

Definitions

Trustee. The trustee must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as trustee.

Grantor. The grantor is the person who establishes the trust account.

Identifying Number

The Grantor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

Traditional IRA for Nonworking Spouse

Form 5305 may be used to establish the IRA trust account for a nonworking spouse. Contributions to an IRA trust account for a nonworking spouse must be made to a separate IRA trust account established by the nonworking spouse.

FACTS	WHAT DOES EQUITY TRUST COMPANY DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ■ Social Security number and account transactions ■ Account balances and transaction history ■ Assets and investment experience	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Equity Trust Company chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Equity Trust Company share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share
Questions?	Call 800-209-9010 or go to www.equityinstitutional.com	

Who we are

Who is providing this notice?

Equity Trust Company ("Equity Trust")

What we do

How does Equity Trust Company protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Equity Trust Company collect my personal information?

We collect your personal information, for example, when you:

- Open an account or direct us to buy or sell securities
- Make deposits or withdrawals from your account
- Provide account information or give us your contact information

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state laws.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies with an Equity or ETC or Innovayte name; financial companies, such as IPL Lending, LLC; nonfinancial companies, such as Retirement Education Group, Inc. d/b/a Equity University; and others, such as Midland IRA, LLC and UBIT Professional LLC.*

Non-Affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Equity Trust Company does not share with non-affiliates so they can market to you.*

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- *Equity Trust Company does not jointly market.*

Other Important Information

California Residents: We will not share your personal information with nonaffiliates for their marketing purposes without your authorization. We will not share your personal information with affiliates or with other financial companies for joint marketing purposes.

Vermont residents: We will not share your personal information with nonaffiliates for their marketing purposes, or share consumer report information about you with affiliates, without your authorization.

Annual Fee

Annual Fee per Account \$ 15

Annual fees are charged on a calendar year basis and are not pro-rated.

Services Include:

- IRS approved retirement plans and trust/custodial documents. Maintain such trust/custodial documents in compliance with applicable federal laws and regulations.
- Maintaining customer data, including beneficiary designation.
- Annual required minimum distribution notices and, upon request, calculate required minimum distribution amounts.
- Remit and report tax withholding to appropriate agencies under our taxpayer ID.
- Provide IRS Forms 1099 and 5498, as required.
- Report fair market value of assets to IRS, as required.

Other Charges

Account Closing Fee \$ 20

Outgoing Wire Processing \$ 25

Tax Form Corrections \$ 25

Processing on Terminated Trust \$ 25

Processing on terminated accounts after the account has been closed more than 6 months

Reinstatement of Closed Account \$ 50

Special services not otherwise provided above As agreed

Please Note: In the event account fees become delinquent and it becomes necessary to collect the balance through the services of a collection agency, you will be held responsible for their fees.

Trustee fees are dependent on the Brokerage Firm who services your account. Please contact your Brokerage Firm for all fees applicable to your account. If you should transfer your account to another Brokerage Firm, a current schedule of fees should be requested.