



Disclosure Statement and Custodial Agreement for SIMPLE Retirement Accounts

This booklet contains disclosures
required by federal law.

Please keep this information for
future reference.



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Disclosure Statement for SIMPLE Retirement Accounts

Highlights

- Under your employer's SIMPLE IRA Plan, you can establish your own SIMPLE IRA, which generally operates under the same rules that govern a traditional IRA.
- The only contributions that can be made to a SIMPLE IRA consist of your pre-tax salary reduction contributions and required employer matching or non-elective contributions.
- Tax-free rollovers are generally allowed between SIMPLE IRAs and from SIMPLE IRAs to "eligible retirement plans" (i.e., traditional IRAs, qualified employer plans, etc.) only after a two-year period has expired since you first participated in your employer's SIMPLE IRA Plan.
- All amounts distributed to you from a SIMPLE IRA are taxable at ordinary income tax rates.
- As with traditional IRAs, you must begin taking required minimum distributions (RMDs) from your SIMPLE IRA for the year you attain age 70½ and for each year thereafter.

A. Revocation of this SIMPLE IRA

When you first establish your SIMPLE IRA, you may revoke the SIMPLE IRA at any time within seven (7) days after the date you receive this Disclosure Statement. If you are eligible to revoke your IRA and wish to revoke the SIMPLE IRA within the seven (7) day time limit, you may do so only by mailing or delivering a written notice of revocation to the following address:

Retirement Consulting Services – Operations
UBS Financial Services Inc.
1000 Harbor Boulevard, 6th Floor
Weehawken, NJ 07086-6791

We will consider your notice to be given on the date that it is postmarked if it is mailed by U.S. mail (or if sent by certified or registered mail, the date of certification or registration), first class postage prepaid and is properly addressed to and received in due course by UBS Financial Services Inc.

If you revoke your SIMPLE IRA within the seven-day period, you are entitled to a return of the entire amount you originally paid into your SIMPLE IRA, without adjustment for such items as brokerage commissions or fees, administrative expenses or fluctuations in market value.

If you have any questions as to your right to revoke this SIMPLE IRA, please call your UBS Financial Advisor or 1-855-880-5015 during normal business hours.

B. Introductory Information

SIMPLE IRA Plans. Certain small employers – typically those with 100 or fewer employees – may establish a Savings Incentive Match Plan for Employees, called a SIMPLE IRA Plan, in accordance with Section 408(p) of the Internal Revenue Code. If you are eligible to participate in your employer's SIMPLE IRA Plan, your employer is required to notify you and provide you with a summary description of the SIMPLE IRA Plan. Once you are eligible to participate, you can establish your own SIMPLE IRA through your employer's SIMPLE IRA Plan, which entitles you to make salary reduction contributions, while your employer contributes either matching or nonelective contributions on your behalf.

All contributions under a SIMPLE IRA Plan can only be made to a SIMPLE IRA and cannot be made to any other

type of IRA. Generally, a SIMPLE IRA is subject to the same rules that govern traditional IRAs, except that only contributions under a SIMPLE IRA Plan can be made to the SIMPLE IRA and only amounts from a SIMPLE IRA can be rolled over to another SIMPLE IRA.

Establishing a SIMPLE IRA. You may establish a SIMPLE IRA with UBS Financial Services Inc. to receive and hold contributions made on your behalf under your employer's SIMPLE IRA Plan by completing a SIMPLE IRA Application.

You may also establish a SIMPLE IRA with UBS Financial Services Inc. by instructing the trustee/custodian of your present SIMPLE IRA to transfer all (or a portion) of the SIMPLE IRA balance to UBS Financial Services Inc. by completing a Transfer Form that you can obtain from your Financial Advisor.

Disclosure Statement. Internal Revenue Service (IRS) regulations require UBS Financial Services Inc. to provide you with this Disclosure Statement. It consists of a general description of the requirements and features of SIMPLE IRAs and a summary of the material terms of the Custodial Agreement. References to "we", "us" or "our" throughout the Disclosure Statement refer to UBS Financial Services Inc. References to "you" or "your" throughout the Disclosure Statement refer to the individual establishing the IRA.

A copy of the Custodial Agreement for SIMPLE Individual Retirement Accounts accompanies this Disclosure Statement. This Custodial Agreement is a legal agreement between you and UBS Financial Services Inc. Please review the agreement carefully.

Before deciding to open a SIMPLE IRA with UBS Financial Services Inc., you should review the commissions, fees and other charges associated with a UBS SIMPLE IRA with your Financial Advisor. Information on our commissions, fees and other charges is found in the "Fees and Charges" document accompanying this Disclosure Statement. More detailed information on our fees and other sources of revenue are available in the brochure "Understanding our fees, charges and other compensation" available at ubs.com/guidetofees. You may receive paper copies of this information by contacting your Financial Advisor.

The IRS also publishes detailed information on SIMPLE IRAs that you can obtain from any IRS District Office or from www.irs.gov.

Legal Requirements. By law, a SIMPLE IRA is a trust or custodial account created by a written document in the United States for the exclusive benefit of you and your beneficiaries. It must meet all of the following requirements:

- The trustee or custodian must be a bank, a federally insured credit union, a savings and loan association or other entity, such as UBS Financial Services Inc., that has been approved by the IRS to act as an IRA trustee or custodian.
- Contributions, except for rollover contributions must be in cash and made under a SIMPLE IRA Plan.
- The entire amount in a SIMPLE IRA is fully vested, i.e., non-forfeitable, at all times.
- Assets in a SIMPLE IRA cannot be commingled or combined with other property, except in a common trust fund or common investment fund.
- Money in a SIMPLE IRA cannot be used to buy a life insurance policy.
- Distributions from a SIMPLE IRA must start by April 1st

of the year following the year you reach age 70½.

Important Information. This SIMPLE IRA has received an opinion letter from the IRS that it satisfies the applicable requirements for IRAs under Section 408(p) of the Internal Revenue Code. The IRS approval pertains to the form of the SIMPLE IRA only and not to its merits.

C. Contributions to SIMPLE IRAs

The only contributions that you are allowed to make to a SIMPLE IRA are those made under a SIMPLE IRA Plan. The contributions must consist of your salary reduction contributions and either required employer matching or non-elective contributions.

Employee Contributions. For 2015, you can elect to contribute 100% of your income up to \$12,500 (indexed periodically for inflation) to your SIMPLE IRA. If you are age 50 or older, you can contribute an additional \$3,000 as a “catch-up” contribution. Since your contributions are made on a pre-tax basis, your annual taxable income is reduced by the amount of your contribution. You make your election by completing a salary reduction agreement furnished by your employer. Your employer must contribute these salary reduction contributions on your behalf to your SIMPLE IRA by the close of the 30-day period following the last day of the month for which the contributions are made.

Employer Contributions. Each year, your employer is required to make a contribution to your SIMPLE IRA based on one of two formulas:

- A dollar-for-dollar match of your salary reduction contributions up to 3% of your compensation. Twice during any five-year period, your employer may reduce its match to as little as 1% for the year and must notify you of the reduction.
- A mandatory contribution of 2% of compensation for all eligible employees, regardless of whether they contribute to the SIMPLE IRA Plan. For purposes of calculating nonelective contributions, compensation is limited. For 2015, compensation is limited to \$265,000. The limit will be indexed periodically for inflation for years after 2015.

Inherited IRAs. If you inherit a SIMPLE IRA from anyone other than your deceased spouse, you cannot treat the SIMPLE IRA as your own and you cannot make any contributions to the SIMPLE IRA or roll over any amounts into or out of the inherited SIMPLE IRA. You may transfer amounts from one inherited SIMPLE IRA to another inherited SIMPLE IRA established in the name of the same deceased SIMPLE IRA owner for the benefit of you as beneficiary.

Excess Contributions. If your employer contributes amounts to your SIMPLE IRA on your behalf that are over the maximum amount that is allowed to be contributed to your SIMPLE IRA under the employer’s SIMPLE IRA Plan for the year, that excess amount will be considered an excess contribution. You will be subject to a non-deductible excise tax of 6% on the excess contribution for each year it remains in the SIMPLE IRA. If you think your employer may have contributed an excess amount to your SIMPLE IRA, we recommend that you contact your employer and your tax advisor as soon as possible to discuss the excess amount and its timely removal to avoid the excise tax.

D. Transfers and Rollovers

Transfers. If you move funds directly to or from your SIMPLE IRA with one trustee or custodian to a SIMPLE IRA with another trustee or custodian, it is a tax-free transfer, not a rollover, and is not affected by the one-year waiting period between rollovers discussed below. You may transfer your SIMPLE IRA to UBS Financial Services Inc. by instructing the trustee/custodian of your present SIMPLE IRA to transfer all (or a portion) of the SIMPLE IRA balance to UBS Financial Services Inc. or by completing a Transfer

Form that you can obtain from your Financial Advisor. A transfer incident to divorce is another type of tax-free transfer.

Rollovers. If you request a withdrawal of an existing SIMPLE IRA that is issued directly to you rather than to a successor trustee or custodian, the amount ultimately deposited into the SIMPLE IRA is considered a rollover subject to the rules discussed below.

- You can roll over an amount in your SIMPLE IRA tax-free to a traditional IRA, a qualified employer plan, a 403(b) tax-sheltered annuity or custodial account or a government-sponsored 457 deferred compensation plan (collectively, these plans are referred to here as “eligible retirement plans”).
- A tax-free rollover can occur only after a two-year period has expired since you first participated in the SIMPLE IRA Plan of your employer (measured from the first date your employer deposited contributions into your SIMPLE IRA).
- To roll over tax-free all or part of a distribution to you of cash or property from a SIMPLE IRA, you must roll over the distribution within 60 days after the day you receive the distribution. If property is distributed from a SIMPLE IRA, that property, and not the proceeds from its sale, must be rolled over.
- If you rollover an amount in your SIMPLE IRA (other than to another SIMPLE IRA) before the end of that two-year period, the rollover is treated as a taxable distribution and not a tax-free rollover.
- Rollovers are permitted to a SIMPLE IRA at any time from another SIMPLE IRA.
- Except as otherwise permitted by applicable law, you are only permitted to make one roll over between your IRAs in a 12-month period. The 12-month period begins on the date on which you receive the distribution from the IRA. The 12-month limitation applies to all of your IRAs, including your SIMPLE IRA. However, a transfer of funds in your SIMPLE IRA directly from one trustee or custodian to another is not a rollover but a tax-free transfer.
- You may also roll over distributions from a SIMPLE IRA directly to a Roth IRA, but you must pay taxes on the taxable portion of the distribution.
- Generally, you cannot roll over the amount of any distribution that is equal to the required minimum distribution for the year from a SIMPLE IRA.

Conversions to Roth IRA. You may convert (roll over) amounts from a SIMPLE IRA to a Roth IRA after the 2-year period beginning on the date you first participated in your employer’s SIMPLE IRA Plan. The conversion is subject to the same rules as a rollover from one SIMPLE IRA to another SIMPLE IRA (i.e., the rollover must be completed within 60 days and required minimum distributions cannot be converted), but the one-year waiting period does not apply. If this is an inherited SIMPLE IRA, you may not convert any amounts of the inherited SIMPLE IRA to a Roth IRA, unless you are the spouse of the deceased SIMPLE IRA owner.

However, unlike a rollover from one SIMPLE IRA to another SIMPLE IRA, the amount rolled over from your SIMPLE IRA to your Roth IRA will be subject to income tax (except for any basis in your SIMPLE IRA due to non-deductible contributions rolled over from a traditional IRA and after-tax contributions rolled over to a traditional IRA from an eligible retirement plan). The 10% early distribution penalty tax will not apply to the amount subject to income tax.

Recharacterization of SIMPLE IRA Conversion to Roth IRA. An amount converted from a SIMPLE IRA to a Roth IRA may be recharacterized as a contribution to a SIMPLE IRA, including the original SIMPLE IRA. To recharacterize a conversion, you must transfer that conversion (or the part you want to recharacterize) plus the earnings allocable to that conversion contribution from the Roth IRA to the SIMPLE IRA.

You must make that transfer by the due date (including extensions) for filing your income tax return for the taxable year. If you have timely filed your tax return, you have an automatic 6-month extension to recharacterize a conversion.

- You cannot recharacterize employer contributions under a SIMPLE IRA to another IRA.
- If you converted a SIMPLE IRA to a Roth IRA and then recharacterized that conversion, you may not reconvert that amount during the same tax year or during the 30-day period following the recharacterization, if later.

If you want to recharacterize a conversion, IRS regulations require you to provide an irrevocable written notice to the custodian of your IRAs of your election to recharacterize a conversion. If UBS Financial Services Inc. is the custodian of both your IRAs, you should contact your Financial Advisor who can provide you with the requisite form of notice. Also, a recharacterization is not a rollover, so it is not subject to withholding nor is it subject to the rule limiting rollovers to once every year.

E. Taxation of Simple IRA Distributions

SIMPLE IRA Distributions. If you never made any non-deductible contributions or rolled over any after-tax contributions from an employer's qualified plan to a traditional IRA, all amounts distributed to you from a SIMPLE IRA are taxable at ordinary income tax rates in the tax year that you receive them. Neither the special lump-sum distribution provisions nor capital gains treatment applies.

If you have made any non-deductible contributions or rolled over any after-tax contributions from an employer's qualified plan to any of your traditional IRAs, a portion of the subsequent distributions out of your SIMPLE IRA is not taxable. This taxability is based upon the ratio of the sum of the unrecovered non-deductible contributions and the after-tax contributions rolled over to the total value at the end of the year of all your traditional, SEP and SIMPLE IRAs, plus any current year distributions.

Early Distribution Penalty Tax. Since the purpose of a SIMPLE IRA is to accumulate funds for retirement, if you are under age 59½ and receive a distribution from your SIMPLE IRA, the amount distributed would be considered an "early distribution" subject to a 10% early distribution penalty tax. However, if the early distribution occurs during the two-year period following the date on which you first participated in your employer's SIMPLE Plan (measured from the first date your employer deposited contributions into your SIMPLE IRA), the penalty tax is increased from 10% to 25%. Exceptions to the 10% (or 25%) early distribution penalty tax exist if the distribution is made on account of one or more of the following:

- Unreimbursed medical expenses in excess of 7.5% of your adjusted gross income
- Health insurance premiums (but only if you have been unemployed and collecting unemployment compensation under a Federal or State program)
- Qualified higher education expenses
- A first-time home purchase (\$10,000 lifetime maximum)
- Death
- Disability
- A series of substantially equal periodic payments over your life expectancy or over the joint life expectancies of you and your beneficiary
- A timely withdrawal of excess contributions
- An IRS levy

In addition, the 10% (or 25%) early distribution penalty tax does not apply to a "qualified disaster recovery assistance distribution," as defined in IRS Publication 4492-B, made before January 1, 2010. The 10% (or 25%) early distribution penalty tax is based upon the amount of your distribution which is included in your income for tax purposes.

F. Required Minimum Distributions

Required Minimum Distributions before Death. You must begin, and are responsible for, taking a required minimum distribution (RMD) from your SIMPLE IRA for the year you attain age 70½ and for each year thereafter that you live (including the year in which your death occurs).

- You must take the first RMD by the April 1st following the calendar year in which you attain age 70½, although you may take more than this minimum amount.
- The amount to be distributed each year from your SIMPLE IRA may not be less than the amount obtained by dividing the value of your SIMPLE IRA as of the preceding December 31st by the distribution period in the IRS's Uniform Lifetime Table, using your age as of your birthday in that year.
- If your sole Designated Beneficiary (as defined in the following section, "Designated Beneficiary") is your spouse and your spouse is more than ten years younger than you, the distribution period is determined under the IRS's Joint and Last Survivor Table, using your age and your spouse's age in that year.
- You may not roll over RMDs to another SIMPLE IRA or to an eligible retirement plan.
- If the RMD for any year is not distributed, you will be subject to a penalty tax equal to 50% of the amount that should have been distributed to you but remained in your SIMPLE IRA.

UBS Financial Services Inc. will not make any RMD to you, unless you request the distribution in accordance with UBS Financial Services Inc.'s procedures. Except as directed by guidance issued by the Internal Revenue Service, UBS Financial Services Inc. has no duty, obligation or responsibility to remind you as to these distribution obligations, nor does UBS Financial Services Inc. have any duty to calculate the amount that must actually be distributed from the SIMPLE IRA at any time. As a result, UBS Financial Services Inc. will not be liable to you for any tax or penalty imposed for failing to receive any RMD.

Required Minimum Distributions for Inherited IRAs.

If your IRA is an inherited SIMPLE IRA, you are the original beneficiary and the decedent's death occurred on or after April 1st following the year in which the decedent attained age 70½, the amount in your inherited SIMPLE IRA is required to be distributed to you, as beneficiary, over the longer of either the decedent's remaining life expectancy or your remaining life expectancy if you are a Designated Beneficiary. If you are not a Designated Beneficiary, your inherited traditional IRA is required to be distributed over the decedent's remaining life expectancy.

If your IRA is an inherited SIMPLE IRA, you are the original beneficiary and the decedent's death occurred before April 1st following the year in which the decedent attained age 70½, your inherited SIMPLE IRA is required to be distributed to you, as beneficiary, as follows:

- If you are a Designated Beneficiary, but are not the surviving spouse of the decedent, over your remaining life expectancy or by the end of the calendar year containing the fifth anniversary of the decedent's death, if so elected
- If you are the sole Designated Beneficiary and you are the decedent's surviving spouse, over your remaining life expectancy (beginning by the end of the calendar year following the year of the decedent's death or by the end of the year the decedent would have attained age 70½ if later) or by the end of the calendar year containing the fifth anniversary of the decedent's death, if so elected
- If you are not a Designated Beneficiary, by the end of the calendar year containing the fifth anniversary of the decedent's death.

If you are a successor beneficiary designated by another beneficiary, you must continue to take required minimum distributions based on the remaining life expectancy of the original beneficiary or the remaining five year period, whichever applies.

UBS Financial Services Inc. has no duty, obligation or responsibility to remind you as to your RMD obligations, nor does UBS Financial Services Inc. have any duty to calculate the amount of the RMD that must be distributed from the SIMPLE IRA to you at any time. As a result, UBS Financial Services Inc. will not make any RMD to you, unless you request that distribution in accordance with UBS Financial Services Inc.'s procedures and will not be liable to you for any tax or penalty imposed for failing to receive any RMD.

G. SIMPLE IRA Beneficiaries

Naming a Beneficiary. Your "beneficiary" is the person or persons designated as such by you during your lifetime on a form accepted by UBS Financial Services Inc. You may name individuals, persons, estates, trusts or entities as beneficiaries. If you reside in a community property state and your spouse is not designated your primary beneficiary for at least 50% of your SIMPLE IRA assets, your spouse's consent to your beneficiary designation may be necessary for that designation to be effective.)

- If your beneficiary designation fails to dispose of all of the assets remaining in your SIMPLE IRA after your death, your beneficiary will be your surviving spouse.
- If you do not have a surviving spouse, your beneficiary will be your estate.

The last form accepted by UBS Financial Services Inc. before your death will be controlling, whether or not it disposes of all of the assets in your SIMPLE IRA, and will supersede all such forms previously filed by you.

Designated Beneficiary. A "Designated Beneficiary" is any individual who is designated by you as a beneficiary (as described above) and remains a beneficiary as of the September 30th of the calendar year following the calendar year of your death.

- In some cases, as permitted by IRS Regulations, the individual beneficiary of a trust that is designated by you as a beneficiary can qualify as a Designated Beneficiary for purposes of determining the required period for distributions from your SIMPLE IRA.
- If a beneficiary other than an individual or a qualifying trust is named as your beneficiary, you will be treated as having no Designated Beneficiary for purposes of determining the required period for distributions from your SIMPLE IRA.

Surviving Spouse. If your surviving spouse is the sole Designated Beneficiary of your SIMPLE IRA, your spouse may make an irrevocable election to treat this SIMPLE IRA as if it were the spouse's own IRA by redesignating the SIMPLE IRA (in accordance with UBS Financial Services Inc. procedures) as an IRA in his or her own name (rather than as a beneficiary IRA). Your surviving spouse will be deemed to have made this election in accordance with our procedures by failing to cause an RMD to be made within the required time period.

Successor Beneficiary. The beneficiaries that you originally designate may, after your death, name a person or persons, referred to as a Successor Beneficiary, who would receive any assets remaining in the SIMPLE IRA upon the death of that original beneficiary. Your original beneficiary must designate any Successor Beneficiaries on a form accepted by UBS Financial Services Inc. If your original beneficiary's designation fails to dispose of all of the assets remaining in the SIMPLE IRA, those remaining assets will be paid to your beneficiary's surviving spouse, then your beneficiary's estate (for beneficiaries dying after December 31, 2003). The designation of a Successor Beneficiary will not change the amount of any RMD, which must still be calculated with respect to your original beneficiary.

Establishment of Inherited IRA. Before your beneficiary may establish an inherited IRA, your beneficiary must furnish UBS Financial Services Inc. with the instruments and documents required by UBS Financial Services Inc. to

establish your beneficiary's right to assets in your SIMPLE IRA as well as any additional documentation we request.

H. Investment of Contributions

Investments. Unless you enter into a separate written contractual arrangement with UBS Financial Services Inc. providing otherwise, you control the investment and reinvestment of the assets in your SIMPLE IRA. You (or a person properly authorized by you) provide instructions as to the investment of your account directly to your Financial Advisor, who acts as your agent in carrying out these investment instructions. However, the Internal Revenue Code provides that you may not invest any part of your SIMPLE IRA in life insurance.

- You can invest or reinvest all contributions to your SIMPLE IRA in marketable securities that are traded by, or obtainable through, UBS Financial Services Inc. either on a recognized exchange, such as the New York or American Stock Exchange, or "over-the-counter" or in shares of open-end regulated investment companies (mutual funds).
- You may also invest your SIMPLE IRA in other investments UBS Financial Services Inc. in its sole discretion agrees to hold according to its policies and procedures then in effect. However, approval by UBS Financial Services Inc. to allow a particular investment to be acquired for, or held in, your SIMPLE IRA may depend upon the receipt of a written agreement from you containing such terms as UBS Financial Services Inc. deems appropriate.
- Before investing your SIMPLE IRA in any permissible tax advantaged investment, you should understand that tax exempt investments, such as municipal bonds, are taxable upon distribution or withdrawal from a SIMPLE IRA. Therefore, interest on these investments that would be tax exempt if held outside a SIMPLE IRA will generally be taxable on distribution when purchased in a SIMPLE IRA. You should consult your tax advisor before investing your SIMPLE IRA in a tax advantaged investment.
- UBS Financial Services Inc. reserves the right to revoke its decision to allow any particular investment to be held in your SIMPLE IRA upon notice to you. UBS Financial Services Inc. will have no liability to you if we revoke our decision, and you will be required within 30 days thereafter to instruct UBS Financial Services Inc. to sell, transfer or distribute the particular investment. If you fail to give any such instructions, UBS Financial Services Inc. may distribute the investment to you.

UBS Financial Services Inc. will hold the assets of your SIMPLE IRA (including annuity or insurance contracts held in the SIMPLE IRA) in its name for your benefit. As the income from, and gain or loss on, each investment you select for your SIMPLE IRA will affect the value of the SIMPLE IRA, the growth in value of your SIMPLE IRA cannot be guaranteed or projected.

Sweep Fund. You may select a sweep fund (from those available to your SIMPLE IRA) into which uninvested cash balances in your SIMPLE IRA will automatically be invested. As permissible by law, if you do not elect a sweep option, UBS Financial Services Inc. may automatically sweep uninvested cash balances into a sweep option consistent with the other agreements between you and UBS Financial Services Inc. then in effect.

Collectibles. You may not invest any part of your SIMPLE IRA in "collectibles," which include artworks, rugs, antiques, metals, gems, stamps, alcoholic beverages or coins, with the exception of certain gold, silver and platinum coins, any coins issued under the laws of any State and certain gold, silver, platinum or palladium bullion if such bullion is in the physical possession of UBS Financial Services Inc. If you invest any part of your SIMPLE IRA in a collectible, the cost of that investment is treated as a distribution from the SIMPLE IRA.

Prohibited Transactions. The tax exempt status of your SIMPLE IRA will be revoked if you engage in any “prohibited transaction” described in Section 4975 of the Internal Revenue Code with a “disqualified person.”

A “disqualified person” is defined as anyone or any entity that is directly or indirectly associated with your SIMPLE IRA account, including you, your beneficiary, certain members of your family and entities (corporations, partnerships, trusts or estates) in which you or they have a substantial interest.

A prohibited transaction involving a SIMPLE IRA can generally be any act or transaction involving self-dealing. Some examples of prohibited transactions are:

- Selling or leasing of any property between your SIMPLE IRA and a disqualified person.
- Transferring any property to/from a disqualified person to/from your SIMPLE IRA.
- Using your SIMPLE IRA or any of its assets to benefit a disqualified person, such as the purchase of a vacation home for yourself.
- A disqualified person borrowing any money from your SIMPLE IRA or using your SIMPLE IRA as security for a loan to a disqualified person.

If you engage in a prohibited transaction with your SIMPLE IRA, the entire fair market value of your SIMPLE IRA as of the January 1st of the calendar year in which the prohibited transaction takes place is treated as distributed to you. That entire amount is included in your income for income tax purposes and may also be subject to the 10% (or 25%) early distribution penalty tax if you have not yet attained age 59½.

In addition, if you use all or any part of your interest in your SIMPLE IRA as security for a loan to yourself, the portion of your SIMPLE IRA used as security for the loan will be treated as distributed to you and taxed as ordinary income in the year in which the money is borrowed. If you are under age 59½, the amount treated as distributed will also be subject to the 10% (or 25%) early distribution penalty tax.

Your Legal Responsibilities for Investments. As you control and direct the investment of the assets in your SIMPLE IRA, you are responsible for determining the legal consequences (including the income tax and 10% (or 25%) early distribution penalty tax consequences) of any investment in your SIMPLE IRA. For example, it is your responsibility to determine whether any investment or transaction in or involving your SIMPLE IRA will result in a prohibited transaction or whether an investment constitutes a collectible.

I. Fees and Expenses of the IRA

Amount of Fees. Generally, all of the fees applicable to your SIMPLE IRA are described in detail in the “Fees and Charges” document accompanying this disclosure statement. More detailed information on our fees, compensation and other sources of revenue are available in the brochure “Understanding our fees, charges and other compensation” available at ubs.com/guidetofees. You may receive paper copies of this information at any time by contacting your Financial Advisor. UBS Financial Services Inc. has the absolute right to amend, revise or substitute fee schedules identified or referred to in this Disclosure Statement upon 30 days’ notice to you and any such amendment, revision or substitution will not be deemed an amendment to the Custodial Agreement.

Paying Fees. The Annual Maintenance Fee is charged for any calendar year (or portion thereof) during which you have a SIMPLE IRA with UBS Financial Services Inc. The fee will be charged and deducted automatically from your SIMPLE IRA account annually and the amounts charged will be shown on your statement. In certain cases, you may also be permitted to pay the annual maintenance fee and

certain other fees and expenses directly to us, but if not so paid, the fees will be charged and deducted from your SIMPLE IRA.

A transfer/termination fee is also charged when all or substantially all of the assets in your SIMPLE IRA are transferred to a successor custodian, trustee, or issuer or distributed to you. However, the termination fees are not charged when the termination of the SIMPLE IRA is attendant to the payment of a total distribution after you reach age 59½, are totally disabled or die.

UBS Financial Services Inc. has the right to deduct from any amount distributed or transferred from your SIMPLE IRA (including amounts distributed or transferred on termination of your SIMPLE IRA) any unpaid fees or expenses, including the annual maintenance fee and any fees relating to the termination, distribution or transfer.

Fees that are deducted from your SIMPLE IRA will be paid from the cash and sweep options in your SIMPLE IRA in accordance with the agreements between you and UBS Financial Services Inc. If the cash and sweep options in your SIMPLE IRA are not sufficient to pay the fees, UBS Financial Services Inc. will sell securities in your account necessary to pay the fees. UBS Financial Services Inc. will not exercise discretion in selecting which securities to sell but will follow the same process outlined for our annual fee billing in the agreements governing the account.

Expenses. UBS Financial Services Inc. may also charge your SIMPLE IRA for any of its reasonable out-of-pocket costs and an appropriate administrative expense arising from unforeseen situations (such as taxes or penalties imposed upon your SIMPLE IRA or legal expenses incurred in defending claims against, or to resolve the claims of competing beneficiaries for, your SIMPLE IRA). We may also charge for expenses incurred due to the maintenance of certain investments.

You will incur normal commissions and fees on purchases and sales of securities consistent with the accompanying agreements to this account. Also, you may incur various fees and costs in connection with your SIMPLE IRA, such as legal fees when UBS Financial Services Inc. requires you to furnish it with a legal opinion as to certain actions you wish to take or instructions you wish to give.

J. Tax Matters

Complexity of Tax Rules. The Internal Revenue Code and the IRS Regulations contain numerous complex and technical rules relating to the tax treatment of IRAs, including rules governing early distributions, required minimum distributions, rollovers and prohibited transactions. If you have any questions as to the tax treatment of any specific transactions involving your SIMPLE IRA, you should obtain and rely upon the advice of your personal tax advisor or attorney. UBS Financial Services Inc. and its affiliates do not provide tax advice.

Neither UBS Financial Services Inc. nor any of its affiliates will have any liability to you or to your beneficiary for any income taxes, penalty taxes or other damages, losses, fees or expenses that may result from you or your beneficiary’s failure to follow these technical rules. Furthermore, neither UBS Financial Services Inc. nor its affiliates provide tax advice to you and do not assume any responsibility for the taxation of distributions of any amounts from your SIMPLE IRA. To the extent that any such tax, penalty or damages are incurred, they will be charged against your SIMPLE IRA as an expense.

Form 1099R. UBS Financial Services Inc. will report all SIMPLE IRA distributions to the IRS on Form 1099-R, which will include a description of the distribution (e.g., early, normal, etc.). For reporting purposes, a direct transfer of assets to a successor custodian or trustee is not considered a distribution.

Form 5498. UBS Financial Services Inc. will report to the IRS on Form 5498 the amount of any contribution, rollover or recharacterization made to a SIMPLE IRA during a calendar year, as well as the tax year for which the contribution is made.

Tax Forms You Must File.

Form 5329 -- You must file Form 5329 with the IRS if:

- You received an early distribution subject to the tax on early distributions from your SIMPLE IRA (however, if distribution code 1 is correctly shown in all your Forms 1099-R, and you owe the additional tax on each Form 1099-R, you do not have to file Form 5329. Instead, see the instructions for Form 1040 or Form 1040NR, for how to report the additional 10% tax directly on that line);
- You received an early distribution subject to the tax on early distributions from your SIMPLE IRA, you meet an exception to the tax on early distributions, and distribution code 1 is shown on Form 1099-R;
- You received an early distribution subject to the tax on early distributions from your SIMPLE IRA, you meet an exception to the tax on early distributions but your Form 1099-R does not indicate an exception or the exception does not apply to the entire distribution;
- The contributions to your SIMPLE IRA exceed the maximum amount that may be contributed under your employer's SIMPLE IRA Plan or you had an excise tax due for an excess contribution on your Form 5329 for the prior year; or
- You did not receive the minimum required distribution from your SIMPLE IRA.

Form 8606 -- You must file Form 8606 with the IRS if:

- You received distributions from a SIMPLE IRA and your basis in traditional IRAs is more than zero (for this purpose, a distribution does not include a rollover, qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions);
- You converted an amount from a SIMPLE IRA to a Roth IRA (unless you recharacterized the entire conversion);

If you fail to file Form 8606, a \$50 penalty per failure may be imposed.

Withholding. Federal income tax will be withheld from the distributions you receive from a SIMPLE IRA unless you elect not to have income tax withheld. Depending on your State of residence, you may also be subject to State income tax withholding on distributions. Generally, Federal income tax on non-periodic distributions is withheld at a flat 10% rate. Installment payments are generally considered non-periodic distributions for purposes of withholding. If SIMPLE IRA distributions are payable outside the United States, however, special withholding rules apply. Your election not to have any income tax withheld will not affect your liability for income tax on the taxable amount of any distribution.

If UBS Financial Services Inc. terminates your SIMPLE IRA and/or distributes assets in your SIMPLE IRA and you do not elect not to have the required tax withheld from such distributions, then you must instruct UBS Financial Services Inc. as to which assets should be sold to fund the withholding of all necessary taxes. If you do not give UBS Financial Services Inc. such instructions on a timely basis, we will follow the same process outlined for our annual account fee billing in the agreements governing your account.

Unrelated Business Taxable Income. The income earned in your SIMPLE IRA is generally exempt from Federal income taxes and will not be taxed until distributed to you unless you make an investment that results in "unrelated business taxable income." Unrelated business taxable income can result, for example, from an investment in a limited partnership interest in a partnership that is debt-financed or that actively conducts a trade or business or as a result of investing in a mutual fund that has REMIC residual interests as assets.

If your SIMPLE IRA derives unrelated business taxable income which for any year exceeds \$1,000, then unrelated business income tax will be due and a tax return, Form 990-T, Exempt Organization Business Income Tax Return must be filed. If Form 990-T is required, you must obtain an employer identification number (EIN) from the IRS (applications for an EIN are made by filing Form SS-4 with the IRS), complete the Form 990-T and file it with the IRS, after providing the completed Form 990-T to UBS Financial Services Inc. for its signature along with your directions to sign the Form in accordance with the process provided below under "Additional Tax Reporting for Your SIMPLE IRA." This unrelated business income tax is an expense of your SIMPLE IRA and must be paid from your SIMPLE IRA. If the Form 990-T is not filed on a timely basis, any tax penalties or interest that may be assessed against your SIMPLE IRA or UBS Financial Services Inc., as custodian of your SIMPLE IRA, will be charged as an expense of your SIMPLE IRA. If Form 990-T is required, UBS Financial Services Inc. may prepare and file the Form 990-T for your SIMPLE IRA and if it does, may charge a fee for this service. Contact your Financial Advisor for more information.

You should consult your tax advisor for guidance on unrelated business taxable income.

Additional Tax Reporting for Your SIMPLE IRA

- You may need to file a tax return or a tax claim in order to recover a tax resulting from an investment by your SIMPLE IRA. For example, if certain capital gains taxes are paid by a mutual fund, or a tax is withheld on a dividend from a foreign stock, you may obtain a refund of that tax by filing an appropriate claim. You are responsible for determining whenever the filing of a tax return or tax claim is required or advantageous. It is also your responsibility to have the filing prepared at your expense (other than a return for a refund with respect to an investment in a regulated investment company or real estate investment trust).
- If any tax return (including the Form 990-T) or tax claim relating to your SIMPLE IRA requires the signature of UBS Financial Services Inc. as custodian of your SIMPLE IRA, you should arrange to have the original and one copy of the required return or claim delivered to your Financial Advisor at least two weeks before the date that tax return or tax claim is due, accompanied by a stamped envelope addressed to the taxing authority to which you wish the return or claim mailed. However, UBS Financial Services Inc. will not review any tax return or tax claim to determine whether it is complete or correct and we sign the tax return or claim only as directed by you. If any tax is to be paid with any tax return, you should also provide your Financial Advisor with instructions regarding such payment. Any refunds of tax obtained as a result of the filing of any tax refund claim will be credited to your SIMPLE IRA when received by UBS Financial Services Inc.

Saver's Tax Credit. If eligible, you may receive a "Saver's Tax Credit" for contributions to a SIMPLE IRA. The credit (which is in addition to any tax deduction) is limited to a percentage (between 10% and 50% depending on your adjusted gross income (AGI) and filing status) of your SIMPLE IRA contribution up to a maximum of \$2,000 for each taxable year (\$4,000 for joint filers), and may not exceed \$1,000 for a year (\$2,000 for joint filers). This SIMPLE IRA contribution amount is reduced by certain SIMPLE IRA distributions made during the year. For 2015, the credit applies if your AGI is less than or equal to:

- \$61,000 for married filing jointly
- \$45,750 for head of household
- \$30,500 for single, married filing separately or qualifying widow(er)

These income limits may be adjusted annually for inflation. The credit is available only to individuals age 18 and older who are not students and who are not individuals for whom a dependency exemption is allowed to another taxpayer. You may request that any federal income tax refund attributed to the Saver's Tax Credit be directly

deposited into your SIMPLE IRA.

Estate Tax Treatment. In general, your gross estate for federal estate tax purposes includes the value of your SIMPLE IRA. If your spouse is your beneficiary, the value of your SIMPLE IRA may be deductible for federal estate tax purposes. In addition, a SIMPLE IRA beneficiary may also deduct the federal estate tax paid on a distribution that is considered income in respect of a decedent. Your entire IRA may also be subject to applicable state death taxes. You should contact your tax advisor for additional information about estate tax treatment for your SIMPLE IRA.

Gift Tax Treatment. Your designation of a beneficiary (or beneficiaries) to receive distributions from your SIMPLE IRA upon your death will not be considered a transfer of property for federal gift tax purposes. Your exercise of an option under a SIMPLE IRA whereby an annuity or other payment becomes payable to a beneficiary after your death may be considered a transfer subject to federal gift tax. You should contact your tax advisor for additional information about gift tax treatment for your SIMPLE IRA.

K. Termination of SIMPLE IRA

UBS Financial Services Inc. may resign as the custodian of your SIMPLE IRA upon 30 days' prior written notice to you.

- If UBS Financial Services Inc. appoints a successor custodian upon its resignation, you will be treated as accepting the successor custodian's appointment unless you appoint a different successor custodian for your SIMPLE IRA within 30 days of being notified of UBS Financial Services Inc.'s resignation.
- If UBS Financial Services Inc. does not appoint a successor custodian upon its resignation, you must appoint a successor custodian for your SIMPLE IRA within 30 days of being notified of UBS Financial Services Inc.'s resignation. If you fail to appoint a successor custodian within the 30-day period, UBS Financial Services Inc. may distribute the balance in your SIMPLE IRA to you, and you may be liable for income and penalty taxes on that distribution. See the "Tax Matters" section for additional tax withholding information.

In addition, if you otherwise transfer your SIMPLE IRA to another custodian and that successor custodian fails or refuses to accept any asset in your SIMPLE IRA (such as non-publicly traded stocks or partnership interests), we may resign as custodian and distribute the asset directly to you. You may be liable for income and penalty taxes on that distribution. See the "Tax Matters" section for additional tax withholding information.

L. Amendment of the IRA

UBS Financial Services Inc. can amend your UBS Financial Services Inc. SIMPLE IRA, whether prospectively or retroactively, provided that no amendment that may take effect retroactively and may materially and adversely affect you will be effective until the expiration of a 30 day period. UBS Financial Services Inc. will give you notice of each amendment by mail, by including a notice in materials regularly distributed to SIMPLE IRA clients, or by electronic media, and you are considered to have consented to the amendment unless, within 30 days after the notice is given, you either:

- Direct UBS Financial Services Inc. to make a total distribution of all of the assets then in your SIMPLE IRA, or
- Remove UBS Financial Services Inc. and appoint a successor in accordance with the Custodial Agreement.

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Custodial Agreement for SIMPLE Retirement Accounts

The Client named as owner in the account opening documents wishes to establish or continue, in accordance with the Custodian's policies and procedures, a SIMPLE retirement account (a SIMPLE IRA), as defined in Section 408(p) of the Internal Revenue Code of 1986, as amended (the Code). The Client has designated this IRA in the account opening documents as a SIMPLE IRA.

The Client and the Custodian agree as follows:

ARTICLE I – Contribution Limit

- 1.1 Except in the case of a rollover or a transfer of assets from another SIMPLE IRA of the Client, the only contributions to this SIMPLE IRA that are allowed are cash contributions made by an employer on behalf of the Client under a SIMPLE IRA Plan described in Section 408(p) of the Code.

ARTICLE II – Exclusive Benefit and Nonforfeitable Interest

- 2.1 The SIMPLE IRA is established for the exclusive benefit of the Client or his or her Beneficiaries.
- 2.2 The Client's interest in the balance in the SIMPLE IRA is nonforfeitable at all times.

ARTICLE III – Investments

- 3.1 Unless otherwise agreed to in a separate written contractual arrangement with UBS Financial Services Inc., the Client shall direct the investments in the SIMPLE IRA. Such investments may be made in:
 - Marketable securities that are traded by, or obtainable through, the Custodian either "over-the-counter" or on a recognized exchange
 - Shares of open-ended regulated investment companies
 - Other investments the Custodian in its sole discretion agrees to hold according to its policies and procedures then in effect

The Custodian may condition its decision to allow an investment to be held in the SIMPLE IRA upon the receipt of an agreement from the Client containing such terms, conditions and representations and warranties as the Custodian shall determine. The Custodian's decision to permit the holding of any investment in the SIMPLE IRA shall not constitute approval of the investment merits of the investment nor a judgment as to the prudence, advisability or suitability of the investment.

The Custodian reserves the absolute right to revoke its decision to permit the holding in the SIMPLE IRA of any investment at any time and for any reason, and the Custodian shall have no liability for any loss, damage or expense suffered or incurred by the Client by reason of the revocation of the Custodian's decision. If the Custodian notifies the Client that it revokes its decision, then within thirty (30) days after such notice is given the Client shall instruct the Custodian as to the liquidation, distribution, transfer or other disposition of the investment to which the revocation of the Custodian's decision applies. If the Client fails to provide the Custodian with instructions within such thirty-day period, the Client shall be deemed to have elected to receive an in-kind distribution of such investment and if the Client fails to waive or otherwise satisfy any withholding obligations with respect to the distribution of the investment or any fee obligation to the Custodian within such thirty-day period, the Client shall be

deemed to have instructed the Custodian to sell other investments in the IRA sufficient to pay all required withholding and any fee by following the same process outlined for annual account fee billing in other agreements governing the SIMPLE IRA as if the tax withheld were a fee or other administrative expense. Further, the Client acknowledges, understands and agrees that the Custodian shall not be liable to the Client for any loss incurred or profit denied by reason of any such sale, nor shall the Custodian be liable for any claim with respect to the timing of any such sale. In addition, the Client acknowledges, understands and agrees that the Custodian shall be entitled to deduct any fees and expenses in connection with any such sale, including the Custodian's fees and expenses for effecting or executing any such sale and that the failure of the Custodian to promptly sell any assets of, or promptly deduct any amounts from, the SIMPLE IRA for any fees or expenses shall not constitute a waiver of such fees or expenses.

- 3.2 In addition, the Client acknowledges, agrees, understands and warrants the following with respect to any non-publicly traded investment (the "Investment") the Custodian allows the Client to hold in the SIMPLE IRA:

- (a) The Client is solely responsible for reviewing all offering materials and other disclosures, evaluating the risks and merits of the Investment, making all of the representations, warranties and/or agreements required as a condition to the purchase of the Investment and the Client alone is solely responsible for monitoring the Investment and deciding what action, if any, to take with respect to the Investment, including making all decisions to retain or dispose of the Investment, retaining sufficient other assets in the SIMPLE IRA to meet any capital calls or to pay any expenses for, or relating to, the administration or maintenance of the Investment, retaining in the SIMPLE IRA, property required to be sold pursuant to the terms of any option, and filing such documents as may be necessary or advisable to preserve, protect or defend the title to the Investment. The Client acknowledges, understands and agrees that the Custodian has not solicited the Client to acquire or hold the Investment, has not made nor will make any recommendation as to the acquisition, retention or disposition of the Investment in the SIMPLE IRA, and that any review of the Investment by or for the Custodian is not a review of the substance, merits or suitability of the Investment but is solely for the limited purposes of determining whether the Custodian can or will hold the Investment as Custodian. Further, the Client understands and acknowledges that the Client has been advised to consult the Client's own attorney or tax advisor to review the substance of the Investment prior to investing. The Client also acknowledges, understands and agrees that any signature provided by UBS Financial Services Inc. in connection with the Investment is made as the Client's agent only and shall be made only at the Client's direction.

- (b) The Client must furnish to the Custodian in writing the fair market value of each Investment annually by the 15th day of each January, valued as of the preceding December 31st, and within twenty days of any other written request from the Custodian, valued as of the date specified in such request. The Client acknowledges, understands and agrees that a statement that the fair market value is undeterminable, or that cost basis should be used is not acceptable and the Client agrees that the fair market value furnished to the Custodian will be obtained from the issuer of the Investment (which includes the general partner or managing member thereof). The Client acknowledges, understands and agrees that if the issuer is unable or unwilling to provide a fair market value, the Client shall obtain the fair market value from an independent, qualified appraiser and the valuation shall be furnished on the letterhead of the person providing the valuation. The Client acknowledges, understands and agrees that the Custodian shall have no obligation to investigate or determine whether the fair market value so furnished is the correct fair market value (without regard to any actual or constructive knowledge that the Custodian may otherwise have), but if the Custodian otherwise has a different value for an Investment, the Custodian may use such other value in its reports to the Client and to the Internal Revenue Service if the Custodian (in its sole discretion) so chooses. The Client acknowledges, understands and agrees that the Custodian shall rely upon the Client's continuing attention, and timely performance, of this responsibility. The Client acknowledges, understands and agrees that if the Custodian does not receive a fair market value as of the preceding December 31, the Custodian shall distribute the Investment to the Client and issue an IRS Form 1099-R for the last available value of the Investment.
- (c) The sole obligation of the Custodian with respect to the Investment is to hold the Investment in custody in the SIMPLE IRA. The Client acknowledges, understands and agrees that where the Investment is in "book entry" form, such as, for example, an interest in a limited partnership or a limited liability company, the Custodian shall return any certificates or other documents nominally evidencing the Investment to the Client. Further, the Client acknowledges, understands and agrees that the Custodian has no other obligations as a result of, or with respect to, the Investment, including without limitation any obligation to notify the Client (or any other party) of the receipt or failure to receive any amount (such as dividends, interest or other distributions), to forward to the Client any notices with respect to the Investment (such as capital calls, class action notices, proxies, etc.), to monitor or report to the Client as to the performance or nonperformance of the Investment or of any person involved with the Investment (or the performance or nonperformance by any person of any obligation or term contained in, or imposed by, the Investment) or to take enforcement or other action with respect thereto, regardless of whether the Custodian has any actual or constructive knowledge which might make such action or inaction advisable. Moreover, the Client acknowledges, understands and agrees that the Custodian's holding the Investment in a SIMPLE IRA imposes no continuing obligation upon the Custodian to continue to hold this Investment in a SIMPLE IRA of which it is the custodian. In addition, the Client acknowledges, understands and agrees that the Client, and not the Custodian, is solely responsible for the safekeeping of all agreements or documents related to the Investment, such as limited partnership agreements, subscription agreements, participation agreements, etc., or which grant the holder of the Investment certain additional rights, such as security agreements, collateral assignments, etc.
- (d) The Client shall indemnify and hold the Custodian harmless from and against any and all loss, liability, cost or expense (including attorneys' fees and disbursements and any taxes, penalties or interest): (i) with respect to the acquisition, holding or disposition of the Investment, (ii) as a result of the making or failing to make any distribution; (iii) relating to or arising out of a failure by the Client to timely and properly file any tax returns, or a failure to timely pay any tax required as a result of, or attributable to, the Investment; (iv) as a result of the Client's failure to provide or use by the Custodian for any purpose of the valuation of the Investment in accordance with this Agreement; or (v) arising out of, or in connection with, the acquisition, holding or disposition of the Investment or the Custodian's agreement to act as custodian of the Investment pursuant to this Agreement. The Client acknowledges, understands and agrees that the Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with the Investment unless agreed upon by the Custodian and the Client, which the Custodian may decline to commence or defend in its absolute discretion and for any reason. Further, the Client acknowledges, understands and agrees that if the Custodian agrees to defend or commence any legal action or proceeding, the Custodian shall first be fully indemnified to its sole satisfaction. The Client acknowledges, understands and agrees that this indemnification provision shall survive the termination of this Agreement.
- (e) Nothing contained herein constitutes any agreement to hold any investment into which the Investment may be converted, including real estate and tangible property, whether pursuant to the terms of the Investment, by reason of any option or conversion privilege contained therein or upon any enforcement of rights or remedies with respect to the Investment. The Client acknowledges, understands and agrees to notify the Custodian prior to the conversion of any Investment and to seek the Custodian's agreement to hold any investment into which the Investment may be converted.
- (f) Nothing contained in this Section 3.2 shall be construed to diminish, reduce or eliminate any other rights which the Custodian may have under this Agreement, including but not limited to rights of the Custodian to indemnification or agreements to arbitrate any disputes, nor shall anything in this Section 3.2 be construed to diminish, reduce or eliminate any obligations of the Client under this Agreement.
- (g) The Client shall pay to the Custodian the amount of any initial and ongoing or annual fees charged by the Custodian for the holding of the Investment in the SIMPLE IRA and any applicable charges in connection with the purchase/transfer and review (or requested purchase/transfer) of the Investment in a SIMPLE IRA. In addition, the Client acknowledges, understands and agrees that promptly, upon demand, the Client shall

pay or reimburse the Custodian for all additional out-of-pocket fees and expenses (including legal fees and expenses) incurred by, or imposed upon, the Custodian as a result of holding the Investment in the SIMPLE IRA.

- 3.3 No part of the assets in the SIMPLE IRA may be invested in life insurance contracts, nor may the assets in the SIMPLE IRA be commingled with other property except in a common trust fund or common investment fund (according to Section 408(a)(5) of the Code).
- 3.4 No part of the assets in the SIMPLE IRA may be invested in collectibles (according to Section 408(m) of the Code).
- 3.5 The Custodian will offer one or more sweep options into which uninvested cash balances in the SIMPLE IRA may be invested and reinvested. If more than one sweep option is offered, and a Client does not elect a sweep option, the Custodian may automatically sweep uninvested cash balances into a sweep option consistent with the other agreements then in effect between the Client and Custodian and with applicable law.
- 3.6 All investments will be made through the facilities of the Custodian and the Custodian shall not have any duty to question the Client's investment instructions or to render any advice to the Client regarding the value of any investment or to make recommendations regarding the advisability of investing in, holding or selling any investment, unless otherwise agreed to in writing by the Custodian. The Client agrees that the Custodian shall not be liable for any loss which may result from the investment of any asset in the SIMPLE IRA.
- 3.7 The Custodian shall carry out all investment directions for this account and make any purchases and sales of investments for, and on behalf of, the SIMPLE IRA.
 - The Custodian shall maintain records of all of its transactions.
 - The brokerage account maintained in connection with the SIMPLE IRA shall be in the name of the Custodian for the benefit of the Client.
 - All assets of the SIMPLE IRA (including annuity or insurance contracts held in the SIMPLE IRA) shall be registered in the name of the Custodian or of a nominee (and the same nominee may be used with respect to assets of other investors whether or not held under agreements similar to this one or in any fiduciary capacity whatsoever), provided, however, that the Custodian may hold any security in bearer form or by or through a central clearing corporation maintained by institutions active in the national securities markets.
- 3.8 The Client shall have the sole responsibility to determine whether the acquisition, holding or disposition of any asset in the SIMPLE IRA:
 - Complies with the limitations applicable to investments by SIMPLE IRAs, including the limitations contained in the preceding Sections 3.3 and 3.4, or
 - Is a "prohibited transaction" under Section 4975 of the Code and the Client acknowledges and understands that the Code prohibits SIMPLE IRAs from engaging in prohibited transactions with disqualified persons who include the SIMPLE IRA owner and natural persons and legal entities sharing certain family or ownership relationships with a SIMPLE IRA owner (including certain partners and joint ventures of a SIMPLE IRA owner) and that prohibited transactions include any purchase or sale or loan between the SIMPLE IRA and a disqualified person, as well

as the receipt by a disqualified person of any consideration or benefit for himself/herself from any person dealing with a SIMPLE IRA.

The Client warrants that any investment or other instructions given to the Custodian will comply with such limitations and will not constitute a prohibited transaction. The Custodian shall have no liability to the Client for any tax, penalty, loss or liability as a result of failure to comply with such rules. In the event the Client is involved in a prohibited transaction with the Client's SIMPLE IRA, the Client acknowledges and understands that the SIMPLE IRA will cease to be a tax-exempt SIMPLE IRA as of the first day of the calendar year in which the prohibited transaction occurs, and once the Custodian becomes aware of the prohibited transaction, the SIMPLE IRA will be treated as having distributed all of its assets to the Client and will be subject to reporting on IRS Form 1099-R.

ARTICLE IV – Contributions

- 4.1 The Custodian may accept contributions from the Client's employer on behalf of the Client, and unless otherwise specified by the Client's employer or the Client, the Custodian shall assume that all contributions received apply to the taxable year in which they are received by the Custodian.
- 4.2 If the Client's employer contributes an amount to the SIMPLE IRA on behalf of the Client that exceeds the maximum amount allowed under the employer's SIMPLE IRA Plan for the taxable year, the Client shall complete the documentation required by the Custodian regarding the reason for the excess, the taxable year of the Client to which the excess relates and the amount of the excess (together with any earnings that apply, if necessary). The Custodian shall distribute to the Client (or the Client's employer with the Client's consent) an amount of cash, or property with a fair market value at the time of distribution, equal to the sum of the excess plus any applicable earnings, if required.
- 4.3 If this is an inherited SIMPLE IRA within the meaning of Section 408(d)(3)(C) of the Code, no contributions will be accepted, provided, however, that the Client may establish this IRA as an inherited SIMPLE IRA by transfer from another inherited SIMPLE IRA, as beneficiary of the decedent under such inherited SIMPLE IRA, or by rollover from another inherited SIMPLE IRA as the spouse beneficiary of the decedent under such SIMPLE IRA in accordance with section 408(d)(3) of the Code. If this SIMPLE IRA is established by the Client as an inherited SIMPLE IRA, no transfers or rollovers, as described in this Article IV, may be made after the initial such transfer or rollover, unless otherwise permitted by applicable law.

ARTICLE V – Distributions

- 5.1 The Client acknowledges that he or she is required to ensure that the distribution of his or her interest in the SIMPLE IRA is made according to the requirements under Section 408(a)(6) of the Code and the Treasury Regulations, the provisions of which are covered here in Article V and are herein incorporated by reference.
- 5.2 This Section 5.2 does not apply if this is an inherited IRA (within the meaning of Section 408(d)(3)(C) of the Code, or, with respect to a spouse beneficiary, without regard to subsection(C)(ii)(II) thereof).
 - (a) The Client acknowledges that he or she is responsible for ensuring that the entire interest in all IRAs (including this SIMPLE IRA, but not including Roth IRAs established under Section 408A of the Code) must begin to be distributed

by the April 1st following the end of the calendar year in which the Client attains age 70½ (Required Beginning Date) (RBD) over the life of the Client or the lives of the Client and his or her Designated Beneficiary. For purposes of this Section 5.2, all of the Client's IRAs, including this SIMPLE IRA, shall be treated as a single IRA and the required minimum distributions (RMDs) calculated for this SIMPLE IRA may be withdrawn from another eligible IRA of the Client according to Treasury Regulation Section 1.408-8 Q&A 9, as determined by the Client.

- (b) Beginning with the calendar year in which the Client attains age 70½ and continuing through the year of death, the RMD is determined by dividing the value of the SIMPLE IRA (as determined under Section 5.5) as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Treasury Regulation Section 1.401(a)(9)-9 Q&A 2, using the Client's age as of his or her birthday in the year. However, if the Client's sole Designated Beneficiary is his or her surviving spouse and the spouse is more than 10 years younger than the Client, the distribution period is determined under the Joint and Last Survivor Table in Treasury Regulation Section 1.401(a)(9)-9 Q&A 3, using the Client's and spouse's ages in that year.

- (c) The RMD for the year the Client attains age 70½ can be made as late as April 1st of the following year. The RMD for any other year must be made by the end of each year.

5.3 References in this Section 5.3 to "Client" refer to the deceased individual, and references to the "Beneficiary" and "Designated Beneficiary" refer to the Client.

If the Client dies on or after the Required Beginning Date, the remaining portion of his or her interest in this SIMPLE IRA is required to be distributed at least as rapidly as follows:

- (a) If the Designated Beneficiary is not the Client's surviving spouse, or is the Client's surviving spouse, but the spouse is not the Client's sole Designated Beneficiary, the remaining interest must be distributed:
 - Over the remaining life expectancy of the Designated Beneficiary, with life expectancy determined using the Beneficiary's age as of his or her birthday in the year following the year of the Client's death, or
 - Over the period described in paragraph (c) below, if longer.
- (b) If the sole Designated Beneficiary is the Client's surviving spouse, the remaining interest must be distributed:
 - Over the spouse's life expectancy, or
 - Over the period described in paragraph (c) below if longer.

Any interest remaining after the spouse's death must be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period described in paragraph (c) below, over that period.

- (c) If there is no Designated Beneficiary, or if applicable by operation of paragraph (a) or (b) above, the remaining interest must be distributed over the Client's remaining life expectancy determined in the year of the Client's death.

- (d) The amount that must be distributed each year under paragraph (a), (b) or (c), beginning with the year following the year of the Client's death, is determined by dividing the value of the SIMPLE IRA as of the end of the preceding year by the remaining life expectancy specified in the paragraph that applies. Life expectancy is determined using the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9 Q&A-1.

- (e) If distributions are being made to a surviving spouse as the sole Designated Beneficiary, the spouse's remaining life expectancy is the number in the Single Life Table that corresponds to the spouse's age in that year. In all other cases, remaining life expectancy is the number in the Single Life Table that corresponds to the Beneficiary's or Client's age in the year specified in paragraph (a), (b) or (c) and reduced by 1 for each subsequent year.

5.4 References in this Section 5.4 to "Client" refer to the deceased individual, and references to the "Beneficiary" and "Designated Beneficiary" refer to the Client.

If the Client dies before the Required Beginning Date, his or her entire interest in this SIMPLE IRA must be distributed at least as rapidly as follows:

- (a) If the Designated Beneficiary is not the Client's surviving spouse, or is the Client's surviving spouse, but the spouse is not the Client's sole Designated Beneficiary, the entire interest must be distributed, starting by the end of the year following the year of the Client's death, over the remaining life expectancy of the Designated Beneficiary. Life expectancy is determined using the age of the Designated Beneficiary as of his or her birthday in the year following the year of the Client's death, or, if elected, according to paragraph (c) below.
- (b) If the sole Designated Beneficiary is the Client's surviving spouse, the entire interest must be distributed, starting by the end of the year following the year of the Client's death (or by the end of the year in which the Client would have attained age 70½, if later):
 - Over the spouse's life expectancy, or
 - If elected, according to paragraph (c) below.

If the surviving spouse dies before distributions are required to begin, the remaining interest must be distributed, starting by the end of the year following the year of the spouse's death:

- Over the spouse's Designated Beneficiary's remaining life expectancy determined using the Designated Beneficiary's age as of his or her birthday in the year following the death of the spouse, or
- If elected, according to paragraph (c) below.

If the surviving spouse dies after distributions are required to begin, any remaining interest must be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

- (c) If there is no Designated Beneficiary, or if applicable by operation of paragraph (a) or (b) above, the entire interest must be distributed by the end of the year containing the fifth anniversary of the Client's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b) above).

- (d) The amount to be distributed each year under paragraph (a) or (b) is determined by dividing the value of the SIMPLE IRA, as of the end of the preceding year, by the remaining life expectancy specified in the paragraph that applies. Life expectancy is determined using the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9 Q&A-1.
- If distributions are being made to a surviving spouse as the sole Designated Beneficiary, the spouse's remaining life expectancy is the number in the Single Life Table that corresponds to the spouse's age in the year.
 - In all other cases, remaining life expectancy is the number in the Single Life Table that corresponds to the Beneficiary's age in the year specified in paragraph (a) or (b) and reduced by 1 for each subsequent year.
- 5.5 The "value" of the SIMPLE IRA includes the amount of any outstanding rollover, transfer and recharacterization under Treasury Regulation Section 1.408-8 Q&As 7 and 8.
- 5.6 A Client's surviving spouse who is the sole Designated Beneficiary of this SIMPLE IRA may elect to treat it as his or her own SIMPLE IRA by redesignating it (according to the procedures established by the Custodian) as a SIMPLE IRA in the name of the surviving spouse (rather than as a Beneficiary of the Client). In accordance with the procedures established by the Custodian, a surviving spouse of a deceased Client will also be deemed to make that election by making a contribution to the SIMPLE IRA (permitted under the contribution rules for SIMPLE IRAs as if the surviving spouse were the SIMPLE IRA owner) or failing to cause the distribution to the surviving spouse as Beneficiary of the amount required to be distributed according to this Article V following the death of the Client within the required time period. A surviving spouse who makes that election will thereafter be deemed to be the Client hereunder.
- 5.7 The Beneficiary, or, if this is an inherited IRA within the meaning of Section 408(d)(3)(C) of the Code (without regard to subsection (C)(ii)(II) thereof), the Client, must notify the Custodian (in a manner acceptable to the Custodian) of any election desired to be made, including an election to establish separate accounts with respect to this SIMPLE IRA.
- The Custodian has no duty, obligation or responsibility to notify the Beneficiary or the Client, as applicable, as to their obligations under the Code.
 - The Custodian has no obligation or responsibility to determine the amount that must be distributed from the SIMPLE IRA at any time.
 - The Custodian is not liable for any tax or penalty imposed upon the Beneficiary or Client, as applicable, if the Beneficiary or Client fails to receive any distribution, or the requisite minimum distribution from his or her account. For purposes of Sections 5.3 and 5.4, a Client may aggregate IRAs from the same decedent for purposes of the RMD rules according to Treasury Regulation Section 1.408-8 Q&A 9.
- 5.8 Regardless of any other provision of this Agreement (or any other instruction received, such as a beneficiary designation):
- The Custodian is not required to make any distribution from this SIMPLE IRA until directed on a form provided by and delivered to, the Custodian for that purpose.
 - The Custodian has no duty or responsibility to initiate the making of, or to see to the application of any distribution from the SIMPLE IRA, or to calculate the amount of any distribution, except to the extent required by law.
- 5.9 The term "Beneficiary" means the person or persons designated as such by the Client in a form acceptable to, and accepted by, the Custodian, including a Successor Beneficiary.
- The designation may name individuals, persons, estates, trusts or legal entities.
 - If the designation does not effectively dispose of the entire SIMPLE IRA by the time such distribution is to commence, then, for the SIMPLE IRA (or any part not effectively disposed of), the term "Beneficiary" shall mean the Client's surviving spouse (at the time of death), and if none, then the Client's estate.
 - The form last accepted by the Custodian before the Client's death shall be controlling, whether or not it fully disposes of the entire SIMPLE IRA, and it shall revoke all prior designations.
 - If the Client designates the Client's spouse as Beneficiary, the Client's subsequent divorce or legal termination of the marriage will automatically revoke the Client's designation. The Client may designate the Client's former spouse as Beneficiary by completing a new change of beneficiary form after the divorce is final or in connection with the divorce proceedings.
 - The Beneficiary designated by the Client, following the death of the Client, may name a person or persons entitled to receive any assets remaining in the SIMPLE IRA upon the death of the original Beneficiary (Successor Beneficiary). The Successor Beneficiary shall be designated by the original Beneficiary in a form acceptable to, and accepted by, the Custodian. If the Beneficiary does not name a Successor Beneficiary, the SIMPLE IRA assets will be paid to the Beneficiary's surviving spouse and if none, the Beneficiary's estate.
 - With respect to items (a) through (e) below, the Custodian shall not have any responsibility and may rely conclusively upon and shall be fully protected and be free from all liability in acting upon, the written statement of the appropriate authority, which may be the executor of the Client's will, the administrator of the Client's estate, or any or all of the Beneficiaries Client has designated, including the trustee of any trust designated as a Beneficiary or any custodian holding funds for the benefit of a minor Beneficiary, as determined by the Custodian in its sole discretion:
 - (a) The interpretation of any applicable federal or state law contained in the beneficiary designation;

- (b) Whether any condition or restriction contained in the beneficiary designation has been satisfied;
 - (c) The number, identity and existence of persons or entities designated as beneficiaries in the beneficiary designation, including where the Client has not identified the person with sufficient specificity in the beneficiary designation;
 - (d) The portion or amount of the SIMPLE IRA allocated to any Beneficiary; and
 - (e) The interpretation, construction or application of any document referenced in the beneficiary designation.
- Any provision of the beneficiary designation that is inconsistent with or contrary to any provision of this Custodial Agreement shall be null and void and the Agreement shall govern in all instances where there is a conflict between the beneficiary designation and the Agreement, notwithstanding any language to the contrary in the beneficiary designation.
 - After the Client's death, each Beneficiary shall become the owner of the portion of the SIMPLE IRA allocated to such Beneficiary under the beneficiary designation and the Client's estate shall not have any rights with respect to the SIMPLE IRA. Each Beneficiary shall be required to establish his or her own inherited individual retirement account with the portion of the SIMPLE IRA allocated to such Beneficiary under the beneficiary designation. Pending establishment of each Beneficiary's own inherited individual retirement account, each Beneficiary shall be bound by the terms of this Agreement; provided, however, that no contributions may be made to the SIMPLE IRA by the Beneficiary or on behalf of a Beneficiary, no distribution may be made from the SIMPLE IRA to a Beneficiary and no Beneficiary may designate his or her own Beneficiary. If a Beneficiary dies prior to the establishment of the Beneficiary's own inherited retirement account, the Beneficiary's allocated portion of the SIMPLE IRA shall be paid to the Beneficiary's surviving spouse, and if there is no surviving spouse, to the Beneficiary's estate.
 - If any Beneficiary desires to disclaim all or any portion of his or her interest in the SIMPLE IRA, in addition to any other requirements imposed by applicable local, state or federal law, the Beneficiary shall deliver to the Custodian a written notarized statement (e.g., the UBS Disclaimer of Beneficial Interest in a Retirement Account form) or court-filed document reflecting such disclaimer, and the Custodian shall rely conclusively upon, and shall be fully protected in acting upon, such written statement or document as to the effectiveness of such disclaimer and any other facts in the statement or document.
- 5.10 The term "Designated Beneficiary" means a Beneficiary who constitutes a designated beneficiary or beneficiaries as determined according to the rules in Treasury Regulation Section 1.401(a)(9)-4.
- 5.11 Prior to the expiration of the two-year period beginning on the date the Client first participated in any SIMPLE IRA plan maintained by the Client's employer:
- Any rollover or transfer by the Client of funds from this SIMPLE IRA must be made to another SIMPLE IRA of the Client.
 - Any distribution of funds to the Client during this two-year period may be subject to a twenty-five percent (25%) additional tax if the Client does not roll over the amount of the distribution into a SIMPLE IRA.
 - After the expiration of this two-year period, the Client may roll over or transfer funds to any IRA of the Client that is qualified under Sections 408(a), (b) or (p) of the Code, or to another eligible retirement plan described in Section 402(c)(8)(B) of the Code.
- ARTICLE VI – Custodial Agreement**
- 6.1 The Client gives the Custodian the right to amend this Agreement, whether prospectively or retroactively, provided that no amendment that may materially and adversely affect the Client shall be effective until the expiration of a thirty (30) day period. The Custodian shall give notice to the Client of each amendment by mail, by including a notice in materials regularly distributed to IRA Clients, or by electronic media, and the Client is considered to have consented to the amendment unless, within thirty (30) days after the notice is given, the Client either:
- Directs the Custodian to make a total distribution of all of the assets then in the SIMPLE IRA, or
 - Removes the Custodian and appoints a successor according to Article X.
- The Custodian shall have the right to deduct from the amount distributed or transferred any unpaid fees or expenses, including the annual maintenance fee and any termination, transfer or other fees and charges previously disclosed (whether or not the Client refused to consent to any amendment).
- 6.2 If at any time, this SIMPLE IRA has no balance, then the Custodian may deem the SIMPLE IRA to be terminated in accordance with the Custodian's procedures.
- 6.3 The Client and the Custodian agree that the Custodian has the absolute right to amend, revise or substitute fee schedules identified or referred to in the Disclosure Statement, and that no amendment, revision or substitution of a fee schedule shall be deemed an amendment of this Agreement.
- ARTICLE VII – Administration of the SIMPLE IRA**
- 7.1 The Custodian shall be responsible only for carrying out the responsibilities specifically set forth in this Agreement and no others.
- The Client agrees that the Custodian shall not be liable to the Client for any loss, liability, cost or expense incurred by the Client as a result of any act or omission by the Custodian in performing these responsibilities, except as a result of gross negligence or willful misconduct by the Custodian.
 - The Custodian, in its discretion, may delegate to one or more agents the responsibility to carry out any of its responsibilities, and may compensate such agents for expenses attendant to those responsibilities.
 - The Client agrees that the Custodian shall not be liable for any act or omission of any agent (whether or not constituting gross negligence or willful misconduct) to whom it has delegated any such responsibility.
- 7.2 The Custodian shall not have any discretionary authority or control or otherwise assume any fiduciary duties with respect to the SIMPLE IRA and none shall be implied, unless the Custodian agrees to such authority, control or duty in writing. The Custodian shall not be liable for (nor assume any responsibility for) the deductibility of any contribution or the eligibility of any contributions under this Agreement, or the purpose or appropriateness of any distribution according to Article V. These matters are the sole responsibility of Client.
- 7.3 The Custodian shall deliver, or arrange to be delivered, to the Client, or at the written direction of the Client to a third party, all annuity policies,

prospectuses, annual reports, proxies and proxy soliciting materials actually received by the Custodian with respect to assets in the SIMPLE IRA. Unless agreed to in writing, the Custodian shall not be responsible for:

- Voting any shares of stock or taking any other action,
- Granting any consents or waivers,
- Exercising any conversion privileges or
- Taking any action permitted to be taken with respect to any asset in the SIMPLE IRA.

- 7.4 The Custodian may rely upon, and shall not be liable when acting in good faith upon, any written, oral or electronic order from the Client or any notice, request, consent, certificate or other instrument or paper believed to be genuine and to have been properly executed. If any such directions are not received as required or, if received, are unclear in the sole opinion of the Custodian, compliance with the instructions may be delayed, without liability for any loss caused by any delay, pending receipt of such instructions or clarification that the Custodian considers appropriate.

If the Custodian receives any conflicting claims to some or all of the assets in the SIMPLE IRA (including any claim inconsistent with the then designation of Beneficiaries), the Custodian may, at its discretion and without liability:

- Hold some or all of the assets in the SIMPLE IRA until it receives evidence satisfactory to the Custodian that ownership has been resolved, or
- Deposit some or all of the assets in the SIMPLE IRA into the registry or custody of any court of competent jurisdiction together with any such legal pleadings as the Custodian may deem appropriate (charging the SIMPLE IRA for any resulting costs or expenses, including attorney's fees and disbursements).

ARTICLE VIII – Reports and Tax Filings

- 8.1 The Client agrees to promptly provide the Custodian with necessary information in a manner that may be necessary or helpful for the Custodian to prepare or file any reports according to Section 408(i) of the Code and the relevant Treasury Regulations.
- 8.2 The Custodian agrees to prepare and furnish annual calendar-year reports on the status of the SIMPLE IRA, including any contributions to, and distributions from (including information on RMDs) the SIMPLE IRA as required by the Code and the Commissioner of Internal Revenue. If contributions made on behalf of the Client according to a SIMPLE IRA plan established by the Client's employer under Section 408(p) of the Code are received directly by the Custodian from the employer for any year, the Custodian will provide the employer with the summary description required by Section 408(l)(2)(B) of the Code.
- 8.3 The Client is solely responsible for the preparation and filing of any other tax return or report or tax claim required or advisable under the Code regarding any investment in the SIMPLE IRA and the Client must provide the Client's Financial Advisor with any instructions regarding the payment of any such taxes. If the signature of the Custodian is required on any tax return or report or claim, the Client acknowledges, understands and agrees that the Client must deliver an original and one copy of the completed return, report or claim to the Client's Financial Advisor at least two weeks before the date that the tax return or report or tax claim is due, accompanied by a stamped, addressed envelope for mailing the return, report or claim.

The Client acknowledges and understands that while a SIMPLE IRA is generally exempt from income taxes, some investments generate what is called "unrelated business taxable income" which is subject to current income tax and that unrelated business taxable income can result, for example, from an investment in a limited partnership that incurs debt or that actively conducts any trade or business. Further the Client acknowledges and understands that if a SIMPLE IRA derives unrelated business taxable income which for any year exceeds \$1,000, then unrelated business income tax will be due and a tax return, Form 990-T, Exempt Organization Business Income Tax Return, must be filed. Moreover, the Client acknowledges, understands and agrees that if a Form 990-T is required to be filed, an employer identification number (EIN) must be obtained for the SIMPLE IRA from the IRS (applications for an EIN are made by filing Form SS-4 with the IRS). The Client acknowledges and understands that unrelated business income tax is an expense of the SIMPLE IRA and should be paid from the SIMPLE IRA that generated the unrelated business taxable income.

This Section 8.3 includes any return or report required as a result of:

- Realizing any gross income from any unrelated trade or business or unrelated debt financed income,
- The occurrence of a windfall profits tax, or
- Any other return or report necessary to obtain any credit or refund of tax previously paid.

The Client acknowledges, understands and agrees that the Custodian has no responsibility for, and so will not, review any tax return or report or tax claim to determine whether it is complete or correct and will not sign any such form without a letter of instruction from the Client acceptable to the Custodian.

ARTICLE IX – SIMPLE IRA Fees and Expenses; Tax Withholding

- 9.1 The Custodian, for its service as the Custodian of the SIMPLE IRA, shall receive various fees applicable to maintaining the SIMPLE IRA. The Custodian reserves the absolute right to revise these fees at any time or from time to time. Further, the Custodian shall receive additional fees or compensation for additional or extraordinary services either that the Custodian considers to be necessary to conserve the assets of the SIMPLE IRA or that the Client requests, plus, in either case, reimbursement for all relevant out-of-pocket expenses.
- 9.2 The Custodian shall also receive such fees and compensation for implementing or completing securities transactions on behalf of the SIMPLE IRA and for such other relevant broker-dealer or investment advisory services as requested by the Client, subject to applicable disclosure or documentation, all of which shall be charged to the SIMPLE IRA unless otherwise agreed to in writing by the Custodian and the Client.
- 9.3 Taxes plus any relevant interest and penalties imposed on the SIMPLE IRA, shall be charged to the SIMPLE IRA.
- 9.4 Any fees and other administrative expenses chargeable to the SIMPLE IRA shall be deducted from the SIMPLE IRA; provided, however that the Client may elect to pay certain fees and expenses directly to the Custodian, but if not so paid, the fees and expenses will be deducted from the SIMPLE IRA. The Client understands and agrees that the Custodian will follow the process outlined for annual account fee billing in the other agreements governing the

SIMPLE IRA to satisfy the payment of outstanding fees and expenses from the SIMPLE IRA.

- 9.5 If the Custodian has terminated the SIMPLE IRA and elected to distribute all or any part of the assets in the SIMPLE IRA, and the Client does not provide a tax withholding election for such distribution, then the Custodian shall cover the required tax withholding by following process outlined for annual account fee billing in the other agreements governing the SIMPLE IRA as if the tax withheld were a fee or other administrative expense.

- 9.6 The Client shall indemnify the Custodian and hold the Custodian harmless from and against any and all loss, liability, cost or expense (including attorneys' fees and disbursements):
- Incurred by or asserted against the Custodian of this SIMPLE IRA, except those which arise due solely to the Custodian's gross negligence or willful misconduct,
 - With respect to the acquisition, holding or disposition of any investment, or
 - As a result of making or failing to make any distribution.

The Custodian shall not be obligated or expected to initiate or defend any legal action or proceeding in connection with the SIMPLE IRA unless agreed upon by the Custodian and the Client, and unless the Custodian is fully indemnified to its satisfaction for so doing.

- 9.7 In the event that the Custodian has agreed in writing to, and is acting as a "designated financial institution" (within the meaning of Section 408(p)(7) of the Code) under the terms of a SIMPLE IRA Plan established by the Client's employer under Section 408(p) of the Code, the Client will be permitted to transfer his or her balance without cost or penalty (within the meaning of Section 408(p)(7) of the Code) to another IRA of the Client that is qualified under Section 408(a), (b), or (p) of the Code, or to another eligible retirement plan described in Section 402(c)(8)(B) of the Code.

ARTICLE X – Resignation or Removal of the Custodian

- 10.1 Upon thirty (30) days' prior notice to the Custodian (or a shorter period, if accepted by the Custodian):
- The Client may remove the Custodian as the custodian of this SIMPLE IRA.
 - The Client must identify the successor custodian in the notice to the Custodian.

The Custodian may resign at any time upon thirty (30) days' notice to the Client.

- The Custodian may resign and substitute another custodian if the Custodian receives notice from the Commissioner of Internal Revenue that such a substitution is required because it has failed to comply with the requirements of Treasury Regulation Section 1.408-2(e).
- Except as required above, upon its resignation, the Custodian may, but shall not be required to, appoint a qualifying successor custodian.
- If the Custodian upon its resignation appoints a successor and the Custodian does not receive from the Client within thirty (30) days of its resignation, written notice of the Client's appointment of a different successor custodian, then the Client will be deemed to have ratified, confirmed and accepted the Custodian's appointed successor.
- If the Custodian resigns without appointing a successor, the Client shall appoint a successor custodian within thirty (30) days of the Custodian's resignation. Failure to appoint a successor custodian in the required time shall result in the termination of this SIMPLE IRA and

distribution of the assets in the SIMPLE IRA in accordance with Sections 12.1 and 12.2.

Notwithstanding the transfer of the assets of the SIMPLE IRA to a successor custodian or the distribution of the assets of the SIMPLE IRA upon termination of the SIMPLE IRA, the Client (and the SIMPLE IRA) shall remain liable for payment in full of all of the fees and other administrative charges and any expenses then due and payable or which become due and payable as a result of, upon or following any transfer or distribution of the assets of the SIMPLE IRA as described in Article IX.

- 10.2 To qualify, a successor custodian shall be a bank, insured credit union, or other entity or person satisfactory to the Secretary of the Treasury according to Treasury Regulation Section 1.408-2(e).
- The Client represents and warrants that any successor custodian appointed by the Client is qualified to act as a custodian of this SIMPLE IRA.
 - Upon receipt by the Custodian of notice (whether written or electronic) of the appointment by the Client of a successor custodian, the Custodian shall transfer and pay over to the successor the assets of the SIMPLE IRA.

Notwithstanding the foregoing, the Custodian is authorized to reserve an amount of money or other property as it may determine is advisable for payment of all its fees, compensation, costs, and expenses, or for payment of any other liabilities actually or potentially constituting a charge on or against the assets of the SIMPLE IRA or on or against the Custodian. Any balance of such reserve remaining after the payment of all such items is to be paid over to the successor custodian.

- 10.3 The Custodian shall not be liable for the acts or omissions of any successor custodian, even if such successor custodian has been appointed by the Custodian.

ARTICLE XI – Termination of the SIMPLE IRA

- 11.1 The Custodian may terminate the SIMPLE IRA if, within thirty (30) days after the resignation or removal of the Custodian, no successor custodian has been appointed or the successor custodian appointed by the Client fails or refuses to accept any asset in the SIMPLE IRA transferred by the Custodian. In addition, the Custodian may terminate the SIMPLE IRA at any time the Client appoints a successor custodian in connection with a transfer of all or part of the SIMPLE IRA to another custodian, if the successor custodian, fails or refuses to accept any asset in the SIMPLE IRA transferred by the Custodian. To complete the termination of the SIMPLE IRA, the Custodian shall distribute any assets remaining in the SIMPLE IRA in a lump-sum in cash or in kind to the Client, subject to the Custodian's right to reserve funds as provided in Section 10.2 and to sell assets to satisfy any tax withholding obligation of the Client as provided in Section 9.5.

- 11.2 The termination of the SIMPLE IRA shall not terminate the Client's obligations, representations or agreements nor the Custodian's rights or remedies, including the Client's obligation covered in Section 9.6 to indemnify the Custodian. The Custodian's obligations under this Agreement shall terminate upon termination of this SIMPLE IRA. Upon delivery or distribution of any assets in the SIMPLE IRA to, or upon order of, the Client, the Custodian shall be relieved from all further liability under this Agreement with respect to the assets delivered or distributed.

ARTICLE XII – Miscellaneous

- 12.1 “UBS Financial Services Inc.” shall mean UBS Financial Services Inc., a Delaware corporation, and any successor corporation by merger, consolidation or liquidation, as well as any other entity to which UBS Financial Services Inc. has transferred all or a substantial portion of its retail brokerage business.
- 12.2 If UBS Financial Services Inc. is a party to any other agreement with the Client, nothing contained therein shall be construed to diminish, reduce or eliminate any rights which UBS Financial Services Inc. may have under this Agreement nor shall anything in this Agreement be construed to diminish, reduce or eliminate any obligations of the Client under any such other agreement.
- 12.3 Any notice, communication or disclosure (including, but not limited to, any “applicable notice” as defined under Section 1.401(a)-21(e)(1) of the Treasury Regulations) to the Client regarding this Agreement or Disclosure Statement shall be considered given upon mailing to the Client (by any class of mail) at the Client’s last address appearing on the records of the Custodian. Any notice, communication or disclosure given by the Custodian to the Client may be:
- Provided separately, or
 - Included with any brokerage account statement mailed or sent to the Client (either by hard copy or by electronic media, if permitted by applicable law).

Notwithstanding the foregoing, the Custodian reserves the right to deliver any notice, communication or disclosure to the Client by any electronic medium (as defined under Section 1.401(a)-21(e)(3) of the Treasury Regulations) and the Client shall be deemed to have the effective ability to access the electronic medium used to provide the notice, communication or disclosure under Section 1.401(a)-21(c)(2) of the Treasury Regulations, unless the Client requests a paper copy of the applicable notice, communication or disclosure within 30 days after the Custodian mails a written paper notice to the Client, in accordance with the first two sentences of this Section 12.3, regarding the availability of the notice, communication or disclosure.

- 12.4 The Client shall not have the right or power to anticipate any part of the SIMPLE IRA or to sell, assign, transfer, pledge or hypothecate any part thereof. The SIMPLE IRA shall not be liable for the debts of the Client or subject to any seizure, attachment, execution or other legal process in respect thereof, except as provided by law. At no time shall it be possible for any part of the income or assets of the SIMPLE IRA to be used for, or diverted to, purposes other than for the exclusive benefit of the Client.
- 12.5 This Agreement shall be construed and administered in accordance with the laws of the State of New York, without regard to the choice of law principles thereof.
- 12.6 This Agreement is intended to qualify as a “simple retirement account” as defined in Section 408(p) of the Code. If any provisions of this Agreement are subject to more than one interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with that intent.

- 12.7 The relevant Code and the Treasury Regulations contain numerous complex and technical rules relating to individual retirement accounts, including, but not limited to, rules governing early distributions, required minimum distributions, rollovers, prohibited transactions and the removal of excess contributions.

The Custodian has advised the Client that if the Client has any questions as to the treatment of any transaction involving the Client’s SIMPLE IRA under the Code and the Treasury Regulations, the application of any State or local income tax laws, or the effect of any other tax, estate, inheritance or property laws, the Client should obtain and rely upon the advice of the Client’s personal tax advisor or attorney.

The Client agrees that the Custodian has no responsibility or obligation to advise the Client as to the tax treatment of any transaction or to caution the Client as to any adverse consequences of any transaction involving the SIMPLE IRA. The Client agrees that the Custodian will not be liable to the Client for any income taxes, penalties or other damages of any kind that may result from the Client’s failure to follow these technical rules, or any claim of a failure of the Custodian to advise the Client (or of having advised the Client incorrectly) as to the tax treatment of any transaction involving the Client’s SIMPLE IRA.

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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

AUG 26 2004

UBS Financial Services Inc.
(FKA UBS PaineWebber Inc.)
1285 Avenue of the Americas
New York, NY 10019

As required by Treasury Regulation
1.408-2(e)(7)(iii), UBS Financial Services
Inc. is hereby furnishing you a copy of
its written notice of approval to act as
a custodian of IRAs.

EIN Number: 13-2638166

Ladies and Gentlemen:

In a letter dated April 15, 2003, as supplemented by letters dated October 17 and December 4, 2003, January 7, 22 and 30, 2004, February 12, 2004, and March 9, 18 and 19, 2004, your authorized representative requested a written notice of approval that UBS Financial Services Inc. may act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

Section 220(d)(1)(B) of the Code (dealing with Archer MSAs (medical savings accounts)) provides, in pertinent part, that the trustee of a medical savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Q & A-10 of Notice 96-53, 1996-2 C.B. 219 provides, in pertinent part, that persons other than banks, insurance companies, or previously approved IRA trustees or custodians may request approval to be a trustee or custodian in accordance with the procedures set forth in section 1.408-2(e) of the Income Tax Regulations.

Section 223(d)(1)(B) of the Code provides, in pertinent part, that the trustee of a health savings account must be a bank (as defined in section 408(n)), an insurance company

(as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Section 223(d)(4)(E) provides, in general, that rules similar to section 408(h) (dealing with custodial accounts) also apply to health savings accounts.

Section 401(f)(1) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section. Section 401(f)(2) provides that the custodian must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401 of the Code. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires, in part, that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). That section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to be invested in regulated investment company stock to be held in the custodial account, and under the custodial account no such amounts may be paid or made available to any distributee before the employee dies, attains age 59 1/2, has a severance from employment, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

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

Section 408A of the Code provides, in general, that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

Section 530(g) of the Code (dealing with Coverdell education savings accounts) provides that a custodial account shall be treated as a trust if the assets of such account

are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an account described in subsection (b)(1). For purposes of title 26 [the Internal Revenue Code], in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section VII of Notice 98-8, 1998-1 C.B. 355 (guidance relating to the requirements applicable to eligible deferred compensation plans described in section 457(b) of the Code), provides, in pertinent part, that for purposes of the trust requirements of section 457(g)(1), a custodial account will be treated as a trust if the custodian is a bank, as described in section 408(n), or a person who meets the nonbank trustee requirements of section VIII of this notice, and the account meets the requirements of section VI of this notice, other than the requirement that it be a trust. Section VIII provides that the custodian of a custodial account may be a person other than a bank only if the person demonstrates to the satisfaction of the Commissioner that the manner in which the person will administer the custodial account will be consistent with the requirements of sections 457(g)(1) and (g)(3) of the Code. To do so, the person must demonstrate that the requirements of paragraphs (2)-(6) of section 1.408-2(e) of the regulations relating to nonbank trustees will be met.

The Income Tax Regulations at section 1.408-2(e) contain the requirements that such other person must comply with in order to act as custodian, for purposes of sections 220, 223, 401(f), 403(b)(7), 408(h), 408(q), 408A, 457(b) and 530 of the Code. One of the requirements of section 1.408-2(e) states that such person must file a written application with the Commissioner demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Based on all the information submitted to this office and all the representations made in the application, we have concluded that UBS Financial Services Inc. meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

This letter authorizes UBS Financial Services Inc. to act as a passive or non-passive nonbank custodian. When UBS Financial Services Inc. acts as a passive nonbank

custodian (pursuant to section 1.408-2(e)(6)(i)(A) of the regulations), it is authorized only to acquire and hold particular investments specified by the custodial agreement. It may not act as a passive custodian if under the written custodial agreement it has discretion to direct investments of the custodial funds.

This letter while authorizing UBS Financial Services Inc. to act as a custodian does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.408-2(e)(5)(viii)(C) of the regulations. UBS Financial Services Inc. may not act as a custodian unless it undertakes to act only under custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because UBS Financial Services Inc. has failed to comply with the requirements of section 1.408-2(e) of the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have \$1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

UBS Financial Services Inc. is required to notify the Commissioner of Internal Revenue, Attn: SE:T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of UBS Financial Services Inc. to act as a passive or non-passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b) is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

This approval letter is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, may not rely on an approval letter issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the approval letter issued to such entity prior to the acquisition, merger, consolidation or other type of reorganization. Such entity may have to apply for a new notice of approval in accordance with section 1.408-2(e) of the regulations.

This letter constitutes a notice that UBS Financial Services Inc. may act as a passive or non-passive nonbank custodian of medical savings accounts established under section

220 of the Internal Revenue Code, and health savings accounts described in section 223, passive or non-passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive or non-passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b) and does not bear upon its capacity to act as a custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments.

This is a retroactive notice of approval effective May 2, 1989 and will remain in effect until withdrawn by UBS Financial Services Inc. or revoked by the Service. This notice of approval supplements the notice of approval issued to PaineWebber Inc. on May 2, 1989. This notice of approval does not authorize UBS Financial Services Inc. to accept any fiduciary account before this notice becomes effective.

In accordance with the power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

If you have any questions, please contact Mr. C. Thompson (Badge No. 50-07262) at (202) 283-9596.

Sincerely,

A handwritten signature in cursive script that reads "Carlton A. Watkins".

Carlton A. Watkins, Manager
Employee Plans Technical Group 1



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

Plan Name: SIMPLE IRA Custodial Account 002
FFN: 50145680000-002 Case: 201400883 EIN: 13-2638166
Letter Serial No: M100044b

UBS FINANCIAL SERVICES INC
1000 HARBOR BLVD., 3RD FLOOR
WEEHAWKEN, NJ 07086

Contact Person:
Sherise Dorman
Telephone Number:
202-317-8701
In Reference To: SE:T:EP:RA
Date: 02/05/2015

Dear Applicant:

In our opinion, the amendment to the form of the prototype trust, custodial account or annuity contract/endorsement identified above is acceptable under section 408 of the Internal Revenue Code, as amended through the Small Business Jobs Act of 2010, for use as a SIMPLE IRA under Code section 408(p). This opinion letter may not be relied on with respect to whether a SIMPLE IRA Plan, under which contributions are made by an employer to the SIMPLE IRA, satisfies the requirements of Code section 408(p).

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

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

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

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

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

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

Sincerely Yours,

Karen D. Truss
Director, Employee Plans Rulings and Agreements

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RET-SIMPLE-20150619

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