

Information on Federal Tax Law for SEP IRAs

This Simplified Employee Pension Individual Retirement Account ("SEP IRA") Disclosure Statement is a summary of the requirements for the Millennium Trust Company, LLC SEP IRA and pursuant to Internal Revenue Service ("IRS") Regulations which require that the information contained herein be given to individuals for whom a SEP IRA established. By executing the Adoption Agreement, you acknowledge receipt of this Disclosure Statement. The Participant has executed the SEP IRA Custodial Agreement ("Agreement") by the execution of the Adoption Agreement referred to herein.

Terms defined in the SEP IRA Custodial Agreement have the same meaning in this Disclosure Statement.

Item I – The Right to Revoke the Account

You have the right to revoke this account within seven days of the date your SEP IRA is established. If you exercise this right, you are entitled to a return of the amount contributed to the SEP IRA without penalty, service charge or administrative expense. If you do not exercise this right within seven days of the date above it is assumed that you will have accepted the terms and conditions of the Individual Retirement account you have established. To revoke this account simply notify Millennium Trust Company, LLC (the "Custodian") in writing. Written notices must be sent by first class mail and will be accepted as the date such notice is postmarked.

Item II – SEP IRA Contributions

Only your employer may contribute to your SEP IRA. The SEP rules permit your employer to contribute a limited amount of money each year to each employee's SEP IRA. However, your employer is not required to make a contribution to your SEP every year. If you are self-employed, you can contribute to your own SEP IRA. Contributions must be in the form of money (cash, check, or money order). Your employer cannot contribute property. However, as a participant, you may be able to transfer or rollover certain property from another retirement plan into your SEP IRA.

Your employer does not have to make contributions every year. But if your employer does make contributions, they must be based on a written allocation formula and must not discriminate in favor of highly compensated employees. When your employer does contribute, your employer must contribute to the SEP IRAs of all participants who actually performed personal services during the year for which the contributions are made, even for employees who die or terminate employment before the contributions are made.

The contributions made by your employer to your SEP IRA cannot exceed the lesser of 25% of your compensation or \$55,000 for 2018 and \$56,000 for 2019 (this amount is subject to cost-of-living adjustments for later years). Your employer cannot consider the part of your compensation over \$275,000 for 2018 and \$280,000 for 2019 (this amount is subject to cost-of-living adjustments for later years).

SEPs are funded by employer contributions only.

Contributions must be made for each eligible employee in a SEP, even if over age 70½. Such an eligible employee must take minimum distributions, however.

Contributions for a year must be deposited by the due date (including extensions) for filing your Federal income tax return for the year.

Item III – Deductibility of Contributions

Generally, an employer can deduct the contributions made each year to the employee's SEP IRA. If you are self-employed, you can deduct the contributions you make each year to your own SEP IRA.

The maximum amount an employer may deduct for contributions made to an employee's SEP IRA is the lesser of the following amounts:

1. Employer's contributions (including any excess contributions carryover).
2. 25% of the compensation (limited to \$275,000 per participant for 2018 and \$280,000 for 2019) paid to the participants from the business that has the plan, not to exceed \$55,000 per participant for 2018 and \$56,000 for 2019 (these amounts are subject to cost-of-living adjustments for later years).

If you are self-employed and contribute to your own SEP IRA, you must make a special computation to figure your maximum deduction for these contributions. When figuring the deduction for contributions made to your own SEP IRA, compensation is your net earnings from self-employment, which takes into account both the following deductions: (1) the deduction for one-half of your self-employment tax; and (2) the deduction for contributions to your own SEP IRA. The deduction for contributions to your own SEP IRA and your net earnings depend on each other. For this reason, you determine the deduction for your contributions to your own SEP IRA indirectly by reducing the contribution rate called for in your plan.

An employee may make deductible contributions to the IRA being used to receive employer contributions under a SEP arrangement, in the same manner as any other IRA. The employee need not



establish a separate IRA to make annual deductible contributions. Conversely, there is no reason a SEP arrangement cannot cover an employee who already has an IRA or who wishes to continue funding an IRA. An existing IRA of the employee can be used to receive the employer's SEP contribution. An employee whose IRA receives an allocation under a SEP arrangement can contribute up to the maximum deductible amount to an IRA (including the IRA that receives the employer's SEP contribution), but some or all of the contribution might need to be designated as non-deductible. Participants should consult with his/her tax advisor.

The Custodian does not give any tax advice. You should contact your tax professional or attorney regarding the tax consequences of your SEP IRA.

Item IV – Excess Contributions

If contributions are made in an amount that is more than is allowed, there are tax implications for the employer and the employees. Excess contributions are included in the employee's gross income. If an employee withdraws the excess contribution, and earnings on such amount, before the due date for filing his/her tax return, including extensions, the employee will avoid a 6% excise tax imposed on excess SEP contributions in an IRA. Excess contributions left in the employee's SEP IRA after that time may result in adverse tax consequences to the employer and the employee. If the employer contributes more than it may deduct, it may be subject to a 10% excise tax.

Item V – SEP IRA Distributions

You can take money out of your SEP IRA at any time. However, if you withdraw any of the funds in your SEP IRA before age 59½, the amount includible in your gross income is subject to an IRS 10% non-deductible premature distribution tax unless the distribution meets an IRS exception. This 10% premature distribution tax does not apply to the portion of your SEP IRA distribution that is not includible in your gross income (for example, amounts treated as a return of non-deductible contributions made to your SEP IRA). The premature distribution penalty tax will be waived for participants under age 59½ for certain medical or educational expenses, and first home purchases. You should consult with your tax advisor regarding these specific exemptions from penalty.

Item VI – Required Minimum Distributions

SEP IRAs are subject to IRS required minimum distribution (RMD) rules starting when you reach age 70½. In the year you reach age 70½, you are required to receive minimum distributions from your SEP IRA. If you have not withdrawn the total amount held in your SEP IRA by April 1 following the year in which you reach 70½ (your required beginning date), you must commence minimum withdrawals in order to avoid penalty taxes. A minimum distribution for each subsequent year must be withdrawn by December 31 of that year. For example, if you reach age 70½ during 2017, you must withdraw the required minimum distribution for 2017 by April 1, 2018, you must withdraw the required minimum distribution for 2018 by December 31, 2018, the required minimum distribution for 2019 by December 31, 2019, etc.

Upon request, the Custodian will provide you with a calculation of the amount of your RMD with respect to your IRA for that calendar year.

If you fail to withdraw the required minimum for a year, you will have to pay a penalty tax. The penalty tax is 50% of the difference between the minimum withdrawal amount and your actual withdrawals during a year. You should consult your own tax or financial advisor with regard to the calculation of the amount of your minimum distribution each year because it is your responsibility to make sure that this requirement is met. The Custodian is not required to advise you about RMDs and will process a withdrawal from your SEP IRA only in accordance with your specific instructions.

Item VII – SEP IRA Rollover Rules

A rollover is the distribution of cash or other assets from your retirement plan or SEP IRA to you, which you subsequently roll over to another retirement plan or IRA. The amount you roll over maintains its tax-deferred status until it is distributed to you. You may take a distribution from all or part of the assets from a SEP IRA and move them to another IRA or qualified plan. Rollover elections are irrevocable. The Custodian shall not be responsible for determining whether you made a proper rollover contribution but the Custodian may request certification that the funds represent a qualified rollover to ensure the accuracy of the Custodian's records.

Item VIII – Prohibited Transactions

If you or your beneficiary engage in a prohibited transaction with the account, as described in IRC Section 4975, the account (or the portion of the account engaged in the prohibited transaction) will lose its exemption from tax and then you must include the fair market value of the amount involved in the prohibited transaction in your gross income for the year during which the prohibited transaction occurred in addition to any regular income tax that may be payable. It is your responsibility to determine if a transaction constitutes a prohibited transaction. The Custodian is not responsible for determining if a transaction constitutes a prohibited transaction. The Custodian reserves the right to request certification from you that the direction provided by you does not create a prohibited transaction. If such certification is not forthcoming, the Custodian reserves the right to take whatever action it deems within its discretion to be appropriate, including but not limited to resigning from the account and/or distributing the assets. Not requesting such a certification regarding a transaction is not a determination that a prohibited transaction does not exist.

Item IX – Beneficiaries

You can name one or more beneficiaries to whom the balance of your SEP IRA will be paid when you die. To do so, just fill out the designation of beneficiary form provided by the Custodian. Your designation of beneficiaries will not be effective until received and accepted by the Custodian.

You should review your designation periodically, especially if there is a change in your family status such as marriage, divorce, death of a family member or birth or adoption of children. You may change your beneficiary at any time by filling out a new form and sending it to us. You can use a new designation to revoke your prior designation in whole or in part.

If the SEP IRA continues after your death, your beneficiary has the same right to name beneficiaries as you had before your death. If you do not name beneficiaries, or if all your beneficiaries die before you or disclaim, the Custodian will pay your SEP IRA to

your spouse first, if she survives you. If you have no spouse who survives you, then the money will go to your children who survive you in equal shares. If you have no children who survive you, the assets in your SEP IRA will be paid to your estate.

Item X – Self-Direction Requirements

Under this Agreement, you are required to direct the Custodian with respect to the investment of funds in your account. In the absence of direction from you or your authorized agent, the Custodian will not make or dispose of any investments or distribute any funds held in the account, except Custodian may liquidate assets, chosen in the Custodian's sole discretion, to pay fees and expenses, including the Custodian's fees and expenses. The Custodian has no power or duty to question or investigate any investment direction, purchase or sale from you or your authorized agent, as to a specific investment or the SEP IRA's overall portfolio, to review any investments held in the account or to make any suggestions to you with respect to the investment, retention, or disposition of any asset in the account. The Custodian will not be liable for any loss of any kind which may result by reason of any action taken by it in accordance with direction from you or your designated agent, or by reason of any failure to act because of the absence of any directions. The Custodian may resign rather than execute an investment direction if it determines in its discretion that the investment would not be administratively feasible.

The assets in your SEP IRA will be invested only in accordance with directions received from you or your designated Investment Agent. Millennium Trust Company, LLC offers no investment management, recommendations, or investment advice as to which investments may be best for your SEP IRA. As Custodian, Millennium Trust Company, LLC accepts custody of a wide range of different types of assets. The fact that Millennium Trust Company, LLC accepts custody of an asset does not constitute an endorsement of that asset or the entity or principals which/who sell or manage such assets. You alone are responsible to do the appropriate investigation of the investment, entity and principals involved before you invest. Likewise, you alone are responsible for continuing oversight for all your investments. Growth in value of the retirement account is neither guaranteed nor projected, and depends entirely on the success of your investment strategy. The profits and/or losses of each individual retirement account are allocated to that account. Your fees are for custodial and administrative services.

Item XI – Approved Form

The Millennium Trust Company, LLC IRA is treated as approved, as to the form, by the IRS since it utilizes precise language of Form 5305-SA, currently provided by the IRS, plus additional language permitted by such form. The IRS approval is a determination only as to the form of the account, and does not represent a determination of the merits of the account.

The provisions of the IRA Custodial Agreement and this Disclosure Statement shall be construed and interpreted under the laws of the State of Illinois.

Item XII – No Tax Advice

This Disclosure Statement together with the Agreement should answer most questions concerning the SEP IRA. However, the fact that IRA state tax laws vary should be noted by you. If you have additional questions regarding IRAs, you should consult your tax advisor or attorney. Also, you may obtain additional information

regarding SEP IRAs from any District Office of the IRS. See in particular IRS Publication 590 (Individual Retirement Arrangements). Millennium Trust Company, LLC does not render tax or legal advice.

Item XIII – Fee Disclosure, Referral Fees, Fund Custodian

In connection with the SEP IRA, you agree to pay the fees set forth on the accompanying IRA Fee Schedule. The services and fees on the IRA Fee Schedule can be changed or additional fees added from time to time without notice to you.

The Custodian may pay a referral fee, one time or recurring, to brokers, financial institutions, investment sponsors, and other entities or individuals, which/who referred you/your Account to the Custodian.

In addition to acting as custodian for your IRA, the Custodian may act as custodian for various privately placed hedge funds and other pooled investments (each a "Fund"). If you direct an investment in your IRA into such a Fund, the fact that Millennium Trust Company is the Fund's custodian is required to be disclosed to you by that Fund. In that situation, both your IRA statement and your statement from the Fund's custodian as to the assets held by the Fund will come from Millennium Trust Company.

Item XIV – Privacy Disclosure

The mission of the Custodian is to meet the desires of our customers. As a financial services professional entrusted with sensitive financial information, the Custodian respects the privacy of customers and is committed to treating customer information responsibly. The Custodian's Privacy Policy, as posted on our website, serves as standards for all employees for the collection, use, retention, and security of individual customer information.

Item XV – Information the Custodian Collects About You

The Custodian collects non-public information about you from the following sources:

- Information the Custodian receives from you on applications or other forms, and
- Information about your transactions with the Custodian, our affiliates, or others.

Item XVI – No Disclosures Outside of Exceptions

The Custodian does not reveal specific information about your SEP IRA or other personally identifiable data to outside parties for their independent use unless: 1) the information is provided to help complete a transaction initiated by you; 2) the information is provided to a reputable credit bureau or similar information reporting agency; (3) the information goes to, agents, vendors, and service suppliers in connection with the services they supply to the SEP IRA; 4) you request or authorize disclosure; and 5) the disclosure otherwise is lawfully permitted or required. The Custodian does not provide account or personal information to outside companies for the purpose of independent telemarketing or direct mail marketing of any non-financial products or services of those companies.

Item XVII – Confidentiality and Security

The Custodian restricts access to non-public personal information about you and the Custodial Account to those employees, vendors and agents who need to know that information to provide products or services to the SEP IRA. Custodian maintains

physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information.

Item XVIII – Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an SEP IRA, you will be asked for your name, address, date of birth and other information that will allow the Custodian to identify you. The Custodian may also require a clear copy of your unexpired government issued identification card.

Item XIV – Acknowledgement

By signing the SEP IRA Adoption Agreement document, you acknowledge the opening of the account and agree to be bound by the terms of the SEP IRA Custodial Agreement including this Disclosure Statement. You agree to read and abide by this SEP IRA Custodial Agreement, including this Disclosure Statement, and the Privacy Policy included herein. Although not a part of the IRA application process, you authorize the Custodian to make inquiries from any consumer reporting agency or other personal information agency or service, including a check protection service, in connection with this SEP IRA, if deemed necessary at a future time.