

Information on Federal Tax Law for SIMPLE IRAs

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

Terms defined in the SIMPLE 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 SIMPLE IRA is established. If you exercise this right you are entitled to a return of the amount contributed to the SIMPLE 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 – SIMPLE IRA Contributions

As a Participant in a SIMPLE IRA plan, you may make a salary reduction contribution and your employer must make either a matching contribution or a non-elective contribution to your account. No other contributions may be made under a SIMPLE IRA plan.

You may defer up to \$12,500 for 2018 and \$13,000 for 2019 (subject to cost-of-living adjustments for later years). If you are age 50 or over, you can make a catch-up contribution of up to \$3,000 for 2018 and 2019 (subject to cost-of-living adjustments for later years). The salary reduction contributions under a SIMPLE IRA plan are "elective deferrals" that count toward the overall annual limit on elective deferrals you may make to this and other plans permitting elective deferrals. You should consult with your tax advisor or attorney regarding your overall annual limit on elective deferrals.

In addition to your salary reduction contributions, your employer is generally required to match your salary reduction contribution on a dollar-for-dollar basis up to 3% of your compensation. Instead of matching contributions, your employer may choose to make non-elective contributions of 2% of your compensation (compensation used for this contribution is limited to \$275,000 for 2018 and \$280,000 for 2019 and is subject to cost-of-living adjustments for later years).

Item III – Deductibility of Contributions

Contributions to a SIMPLE IRA are excludible from federal income

tax by you and are not subject to federal income tax withholding. However, elective deferrals to a SIMPLE IRA are subject to tax under the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and the Railroad Retirement Act (RRTA), and must be reported on Form W-2. Matching and non-elective employer contributions to a SIMPLE IRA are not subject to FICA, FUTA, or RRTA taxes, and are not required to be reported on Form W-2.

All SIMPLE IRA contributions are deductible by your employer. Elective deferrals made by you are treated as employer contributions for deduction purposes. Contributions to SIMPLE IRAs are deductible in the fiscal taxable year of the employer with or within which the calendar year for which the contributions were made ends. Contributions are therefore deductible by the employer in accordance with the following rules:

(a) In the case of a SIMPLE IRA maintained by a calendar-year business, contributions are deductible for that calendar year.

(b) When a fiscal-year business maintains a SIMPLE, contributions are deductible for the fiscal taxable year that includes the last day of the SIMPLE IRA plan year.

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

Item IV – Excess Contributions

If you contribute more than your allowable amount in any one year, you can take care of the excess amount in one of two ways:

(1) You can apply the excess amount to contributions for a later year. You can eliminate the excess by contributing less than the maximum amount allowed to your SIMPLE IRA in a later year. If you apply the amount of the excess contribution to a later year, you will be required to pay a 6% penalty tax on the amount of the excess contribution for the year in which the excess contribution was made. If you decide to apply the excess contribution over several years, you will pay the 6% penalty tax on the amount of the excess contribution that remains after each year.



(2) You can remove the excess amount. If you remove the excess amount, the timing of the removal and the amount of the excess contribution determine how you are taxed. You can avoid the 6% penalty tax if you remove the excess plus any other income earned on the excess amount before the due date for filing the tax return for the year. You will have to pay a 10% penalty tax on any gains or earnings earned on the excess removed, unless you are older than age 59½ or are permanently disabled. If you decide to remove the excess contribution, any interest or other income earned on the excess will be taxable to you for the year in which the excess contribution was made. If you remove the excess after the due date for filing your taxes for that taxable year, you will have to pay a 6% penalty tax on the entire excess amount. Any earnings on the excess amount will remain in the SIMPLE IRA.

Item V – SIMPLE IRA Distributions

You can take money out of your SIMPLE IRA at any time. However, if you withdraw any of the funds in your SIMPLE 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 SIMPLE IRA distribution that is not includible in your gross income (for example, amounts treated as a return of non-deductible contributions made to your SIMPLE IRA).

To qualify as a tax-free rollover, a rollover distribution (or a transfer) made from your SIMPLE IRA during the two-year period beginning on the date on which you first participated in your employer's SIMPLE plan must be contributed (or transferred) to another SIMPLE IRA. The two-year period begins on the first day on which contributions made by your employer are deposited into your SIMPLE IRA. After the two-year period, amounts in a SIMPLE IRA can be rolled over or transferred tax free to an IRA other than a SIMPLE IRA, or to a qualified plan, a tax-sheltered annuity plan, or a deferred compensation plan of a state or local government.

If a distribution is an early distribution and occurs during the two-year period following the date on which you first participated in your employer's SIMPLE plan, the additional tax on early distributions is increased from 10% to 25%.

If a rollover distribution (or transfer) from a SIMPLE IRA does not satisfy the two-year rule, and is otherwise an early distribution, the additional tax imposed because of the early distribution is increased from 10% to 25% of the amount distributed.

You should consult with your tax advisor regarding the tax consequences of your SIMPLE IRA.

Item VI – Required Minimum Distributions

SIMPLE 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 SIMPLE IRA. If you have not withdrawn the total amount held in your SIMPLE 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 SIMPLE IRA only in accordance with your specific instructions.

Item VII – SIMPLE IRA Rollover Rules

During the two-year period described in Item V above, you can rollover an amount from your SIMPLE IRA to another SIMPLE IRA in a tax-free trustee-to-trustee transfer. If, during this two-year period, an amount is paid from your SIMPLE IRA directly to the trustee of an IRA that is not a SIMPLE IRA, the payment is not a tax-free trustee-to-trustee transfer nor a rollover contribution; the payment will be considered a distribution from your SIMPLE IRA and might be subject to penalty. After the expiration of the two-year period, you can transfer an amount from your SIMPLE IRA to an IRA that is not a SIMPLE IRA in a tax-free trustee-to-trustee transfer.

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 SIMPLE 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 SIMPLE 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 SIMPLE 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 SIMPLE 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 SIMPLE 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 SIMPLE 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 SIMPLE 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 Internal 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 – Not Tax Advice

This Disclosure Statement together with the Agreement should answer most questions concerning the SIMPLE 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 SIMPLE 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 SIMPLE IRA, you agree to pay the fees set forth on the accompanying IRA. The services and fees on the Self Directed 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 SIMPLE 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 SIMPLE 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 SIMPLE IRA. Custodian

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

Item XIII - 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 a SIMPLE 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 XIX - Acknowledgement

By signing the SIMPLE IRA Adoption Agreement document, you acknowledge the opening of the account and agree to be bound by the terms of the SIMPLE IRA Custodial Agreement including this Disclosure Statement. You agree to read and abide by this SIMPLE IRA Custodial Agreement, including this Disclosure Statement, and the Privacy Policy included herein. Although not a part of the IRA application process, you authorizes 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 IRA, if deemed necessary at a future time.