
Information on Federal Tax Law for Traditional IRAs

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

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

You can make annual contributions to an IRA up to the annual limit, or 100% for your compensation or earned income, whichever is less. The annual contribution limit is \$5,500 for 2018 and \$6,000 for 2019. Thereafter, the limits will be indexed for inflation annually.

If you and your spouse both work and have compensation that is includable in your gross income, each of you can annually contribute to a separate IRA up to the lesser of the annual limit or 100% for compensation or earned income. If each of you has at least the annual limit in compensation or earned income, each of you may make the maximum contribution to your IRA, a total of up to twice the annual limit on IRA contributions for the couple (in other words, \$12,000 for 2019 and thereafter for the two IRAs). Contributions to a spousal IRA need not be equally divided between spouses, but no contribution is allowed for annual contributions on behalf of either spouse that exceed the annual limit.

If you are age 50 or older you may make special catch-up contributions to your IRA for that year. From 2006 on, the maximum catch-up contribution is \$1,000 per year. If you are over 50 by the end of a year, your catch up contribution is added to your annual contribution limit for that year.

No contribution shall be allowed under the individual retirement account with respect to any qualified retirement contribution which is made for a taxable year of an individual if such individual has attained age 70½ before the close of such taxable year. Contributions to your IRA for a tax year must be made on or before the due date (not including extensions) for your Federal income tax return for that tax year (April 15 for most individuals).

Item III – Deductibility of Contributions

You may deduct the full amount of your IRA contribution up to the annual maximum limit if neither you nor your spouse are not an "active participant" in an employer-sponsored retirement plan (including qualified 401(k), profit sharing plan, Simplified

Employee Pension (SEP) plan, SIMPLE IRA, or SIMPLE 401(k) plan, tax-sheltered annuity plan, and certain governmental plans) for any part of such year. If you are not sure whether you are covered by an employer-sponsored retirement plan, check with your employer or check your form W-2 for the year in question.

If you are an "active participant" the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) for the tax year for which the contribution is made. Individuals are considered to be "active participants" for a year if at any time during the year they are covered by any employer plan under which contributions are made to their accounts (including a required or voluntary employee contribution by the individual) or under which they are eligible to earn pension benefit credits. You are not considered an active participant if you are covered in a plan only because of your service as (1) an Armed Forces Reservist, for less than 90 days of active service, or (2) a volunteer firefighter covered for firefighting service by a government plan. Also, if you are married, you will not be treated as an active participant in an employer-sponsored retirement plan solely because your spouse is an active participant in such a plan if you are not an active participant yourself.

If you are an "active participant" in an employer-sponsored retirement plan, you may deduct IRA contributions based upon the following. You may take a full deduction up to the amount of your contribution limit in the following situations: a) your filing status is single or head of household and your MAGI is \$63,000 or less for 2018 and \$64,000 or less for 2019, or b) your filing status is married filing jointly or qualifying widow(er) and your MAGI is \$101,000 or less for 2018 and \$103,000 or less for 2019. You may take a partial deduction in the following situations: a) your filing status is single or head of household and your MAGI is more than \$63,000 but less than \$73,000 for 2018 and more than \$64,000 but less than \$74,000 for 2019, b) your filing status is married filing jointly or qualifying widow(er) and your MAGI is more than \$101,000 but less than \$121,000 for 2018 and more than \$103,000 but less than \$123,000 for 2019, or c) your filing status is married filing separately and your MAGI is less than \$10,000. You may not take a deduction in the following situations: a) your filing status is single or head of household and your MAGI is \$73,000 or more for 2018 and \$74,000 or more for 2019, b) your filing status is married filing jointly or qualifying widow(er) and your MAGI is \$121,000 or more for 2018 and \$123,000 for 2019, c) your filing status is married filing separately and your MAGI is \$10,000 or more. If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the "Single" filing status. To determine the amount of partial deductions, refer to IRS Publication 590.

If you are not an “active participant” in an employer-sponsored retirement plan, you may deduct IRA contributions based upon the following. If you are single, head of household, or a qualifying widow(er) you may take a full deduction up to the amount of your contribution limit. If you are married filing jointly or separately with a spouse who is not covered by a plan at work, you may take a full deduction up to the amount of your contribution limit. If you are married filing jointly with a spouse who is covered by a plan at work, your deduction depends upon your MAGI as follows: a) if your MAGI is \$189,000 or less for 2018 and \$193,000 or less for 2019, you may take a full deduction up to the amount of your contribution limit, b) if your MAGI is more than \$189,000 but less than \$199,000 for 2018 and more than \$193,000 but less than \$203,000 for 2019, you may take a partial deduction, and c) if your MAGI is \$199,000 or more for 2018 and \$203,000 or more for 2019, then you may not take a deduction.

For both 2018 and 2019, if you are married filing separately with a spouse who is covered by a plan at work, your deduction depends upon your MAGI as follows: a) if your MAGI is less than \$10,000 then you may take a partial deduction, or b) if your MAGI is \$10,000 or more then you may not take a deduction. If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the “Single” filing status. To determine the amount of partial deductions, refer to IRS Publication 590.

Item IV – Non-deductible Contributions

Even if you are above the threshold level and thus may not take a deduction on your contribution, you may still contribute up to the lesser of 100% of compensation or \$5,500 to your IRA for 2018 and \$6,000 for 2019. If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution on Form 8606 which you file with your federal income tax return. No deduction is allowed with respect to a rollover contribution (the tax free transfer of retirement funds from one retirement plan to another).

If your employer has adopted a Simplified Employer Pension (SEP) plan, your employer may make a SEP contribution on your behalf into this SEP IRA up to the lesser of a) 25 percent of your compensation (\$275,000 maximum for 2018 and \$280,000 for 2019) or b) \$55,000 for 2018 and \$56,000 for 2019. This limit is a per employer limit. Therefore, if you work for more than one employer who maintains a SEP plan, you may receive from each employer up to the lesser of a) 25 percent of your compensation (\$275,000 maximum for 2018 and \$280,000 for 2019) or b) \$55,000 for 2018 and \$56,000 for 2019. Your employer may contribute to this SEP IRA or any other SEP IRA on your behalf under a SEP plan even if you are age 70½ or over, and even if you are covered under a qualified plan of another employer for the year.

You may withdraw an IRA contribution made for a year any time until your tax return filing deadline, including extensions. If you do so, you must withdraw the earnings attributable to that portion and report the earnings as income for the year for which the contribution is not deductible. You may decide either to withdraw the non-deductible amount, or in the alternative you may leave it in the IRA and designate that portion as a non-deductible contribution on your tax return for the previous year (adjusted by any outstanding rollovers).

Item V – 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 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 IRA.

Item VI – IRA Distributions

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

Traditional 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 IRA. If you have not withdrawn the total amount held in your 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.

If you maintain more than one Traditional IRA, you must calculate the RMD separately for each. However, you may withdraw the RMD amount from any of your Traditional IRAs. 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 IRA only in accordance with your specific instructions.

Item VIII – Rollover IRA Rules

A rollover is the distribution of cash or other assets from your retirement plan or 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 an IRA and move them to another IRA. Rollover elections are irrevocable. The Custodian shall not be responsible for determining whether you made a proper rollover contribution but the Custodian may request a certification that the funds represent a qualified rollover to ensure the accuracy of the Custodian's records.

(1) Rollover from a Traditional IRA to another Traditional IRA

If you have a Traditional IRA, you can withdraw all or part of the amount in that account and rollover all or part of the amount withdrawn to another Traditional IRA. The amount rolled over will not be subject to federal income tax (or the 10% premature withdrawal penalty) if you complete the rollover within 60 days after the withdrawal. Generally, IRA assets may be rolled over only once a year.

(2) Rollover from a Traditional IRA to a Roth IRA

You can convert amounts from a Traditional IRA (including SEP and SIMPLE IRA) to a Roth IRA. If you are age 70½ or older, the amount of your required minimum distribution from a Traditional IRA also does not count toward the MAGI limit to determine if you are eligible to convert. If eligible, you can withdraw all or part of your Traditional IRA and roll it over into a Roth IRA within 60 days of receipt. You will owe taxes on the portion of the conversion that represents the earnings and contributions distributed from the Traditional IRA that were not previously taxed. Prior to 2018, certain Roth IRA conversions were eligible to be recharacterized. A Roth IRA conversion made on or after January 1, 2018 may not be recharacterized. The amount you convert will be taxable in the year the distribution is made. The 10 percent penalty tax does not apply to amount converted.

(3) Rollovers from Employer-Sponsored Plans

If you receive a lump-sum distribution, qualifying partial distribution or termination distributions from a qualified retirement plan, you may roll over all or part of the amount received to an IRA. Generally, rollovers cannot be made more than once in one year. Such rollover to an IRA must be made within 60 days of receipt of the distribution. Rollovers from employer-sponsored plans may be made by rolling the same property into the IRA, or liquidating the property and rolling over the proceeds. Due to the complex nature of the legal definitions of lump-sum distributions, qualifying partial distribution or termination distribution, any individual wishing to take advantage of the rollover rules should seek advice from his tax advisor as to how these rules work.

(4) Conduit IRA (Rollover)

A conduit IRA is an IRA which contains only qualified total distributions from qualified plans, annuities, and 403(b) plans. The IRA is then used as a "holding account" until you subsequently roll that IRA back into another qualified plan, annuity or 403(b) plan. In order to take advantage of this conduit treatment, you must establish a separate IRA plan into which only

the qualified total distribution will be rolled over. When you decide to roll the conduit IRA back into a qualified or 403(b) plan, the entire balance in the IRA plan must be rolled. Any amounts not rolled back into a qualified plan will be taxed at ordinary income tax rates. Surviving spouses are eligible to utilize the conduit IRA.

Item IX – 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 X – Beneficiaries

You can name one or more beneficiaries to whom the balance of your 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 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 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 IRA will be paid to your estate.

Item XI – Self-Direction Requirements

Under the Millennium Trust Company, LLC Traditional IRA Custodial 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 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 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 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 XII – 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-A, 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 Agreement and this Disclosure Statement shall be construed and interpreted under the laws of the State of Illinois.

Item XIII – No Tax Advice

This Disclosure Statement together with the Agreement should answer most questions concerning the 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 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 XIV - Fee Disclosure, Referral Fees, Fund Custodian

In connection with the 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 XV - 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 XVI - Information the Custodian Collects About the You

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

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

Item XVII - No Disclosures Outside of Exceptions

The Custodian does not reveal specific information about your 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 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 XVIII - 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 IRA. Custodian maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information.

Item XIX - 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 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 XX - Acknowledgement

By signing the IRA Adoption Agreement document, you acknowledge the opening of the account and agree to be bound by the terms of the Traditional IRA Custodial Agreement including the Disclosure Statement. You agree to read and abide by the Traditional 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.