

## ACCOUNT PACKET

# RETIREMENT PLAN BROKERAGE SERVICES AGREEMENT

You sponsor and maintain a retirement plan ("Plan"), which may or may not be qualified under section 401(a), 403(b), or 457(b) of the Internal Revenue Code of 1986 ("Code"), and/or subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The term "you" as used in this Agreement refers to the Plan sponsor, trustee or other authorized officer of the Plan that is identified on and that signs on behalf of the Plan in the Account Application – Employer-Sponsored Retirement Plan – Direct Business ("Account Application"). In consideration of LPL Financial LLC ("LPL") agreeing to act as broker to the Plan, you hereby understand, acknowledge and agree as follows:

## THE ROLE OF LPL

### 1. BROKERAGE SERVICES

LPL acts as the broker to the Plan account established at the Product Sponsor or Platform Provider ("Service Provider") identified in the Account Application. LPL provides brokerage services as described in this Agreement. LPL is a broker/dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). LPL is not the custodian of the Plan's account established through the Service Provider. The Plan is opening an account directly with the Service Provider. The custodian selected by the Service Provider is responsible for issuing periodic statements for the Plan's account.

You acknowledge that the brokerage services of LPL and your LPL registered representative ("Representative") under this Agreement do not include (i) the exercise of any discretion or control by LPL or the Representative over the management, operations or assets of the Plan, including but not limited to any discretionary trading authorization over investments; or (ii) any authority or responsibility by LPL or the Representative in the administration of the Plan or interpretation of the Plan documents, the determination of participant eligibility, benefits, or vesting, or the approval of distributions to be made by the Plan. You acknowledge and agree that all decisions regarding the assets of the Plan, the interpretation of its provisions, compliance with applicable laws and operation of the Plan are the sole responsibility of you and the Plan. You further acknowledge and agree that all investment decisions with respect to the Plan will be based on your independent judgment.

You acknowledge that LPL and your Representative will not provide you with any legal, tax or accounting advice, that LPL's employees and Representatives are not authorized to give any such advice and that you will not solicit or rely upon any such advice from LPL or its employees or Representatives whether in connection with transactions in or for any of the Plan's accounts or otherwise. In making legal, tax or accounting decisions with respect to transactions in or for the Plan's accounts or any other matter, you will consult with and rely upon your own advisors and not LPL or its Representatives, and LPL and its Representatives shall have no liability therefore.

## INVESTMENT RISK DISCLOSURE

### 1. General

You understand that investing in securities involves risks and that many variables, including, but not limited to market and economic fluctuations, may have a substantial negative effect on the value of your securities positions. Furthermore, you represent to LPL that the Plan is willing to assume these risks and that the Plan is in fact financially able to bear these risks. You agree to notify LPL in writing should the financial condition of the Plan materially change, or should the Plan's investment objective change from the one shown on the Account Application.

- You understand that you have received current offering documents which fully describe each investment, including potential risks and costs, prior to purchasing an interest in an investment product, such as a mutual fund or annuity.
- To the extent you are purchasing an annuity in a tax qualified retirement account, you realize that the annuity does not provide additional tax deferred treatment of earnings beyond the treatment provided by the tax-qualified retirement plan itself.



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## 2. Disclosure Regarding Group Annuities

If you are purchasing a group annuity for the Plan, you understand that it is your responsibility to read and understand the group annuity contract and all other offering material prepared by the issuing insurance company prior to making an investment decision. Further, it is your responsibility to determine that the group annuity is consistent with the terms of the Plan. In considering whether to purchase a particular group annuity for the Plan, you should be aware that:

- A group annuity is a contract between the plan sponsor or the plan trustee and the issuing insurance company that cover the participants in the plan.
- A group variable annuity consists of separate accounts that typically invest in underlying investment portfolios the value of which fluctuates with the market value of the securities in the portfolio.
- Although a group annuity is issued by an insurance company, the annuity's investment returns are not "insured" or guaranteed and risk of loss of principal does exist; however, the product may offer participants an option to purchase an annuity with a guaranteed component instead of a cash payout. Any such guarantee for an individual annuity is subject to the claims-paying ability of the insurance company.
- A group annuity held in a tax-qualified retirement plan does not provide any additional tax deferred treatment of earnings for the plan or participants beyond the treatment provided by the plan itself.
- A group annuity contract generally is not a registered security and separate account is generally not a registered separate account. Therefore, the contract and separate account are not subject to registration or regulation by the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, the Securities Exchange Act of 1934 or the Investment Company Act of 1940.
- Unlike mutual funds and registered variable annuities, which are SEC-registered products, a group annuity generally is not required to prepare or deliver a prospectus. The payment to a Representative for the sale of a group annuity, including ongoing payments, will not be set out in a prospectus but will be disclosed by the insurance company in the contract or other contract-related materials. Although a group annuity may pay a Representative the same commission or trail no matter which investment option is selected, there may be many different types of commission and/or trail structures that can be selected.
- A group annuity contract typically includes various fees and expenses, including administrative fees for certain services of the insurance company, such as recordkeeping, customer services and enrollment. These fees and expenses are in addition to the fees and expenses of the underlying investment options, which a participant will indirectly bear by investing in those investment options through the group annuity.

## 3. Disclosure Regarding Stable Value Products

If you are considering a stable value product to make available as an investment option for a Plan, you should review the contract for the product and understand and consider the following:

- A stable value fund is a fixed income investment fund with a "wrap" contract issued by a bank or insurance company. These wrap contracts seek to allow participants to transact at their book value (which generally speaking is their invested balance plus any accrued interest).
- The objective of stable value funds, in general, is to preserve capital while providing a relatively stable rate of return that seeks to exceed returns provided by money market funds. Although designed as a low-risk investment, participants can lose money by investing in a stable value fund.
- Stable value funds can be viewed as an alternative to money market funds; however, there are important differences, and stable value products can be complicated. Unlike money market funds, stable value funds are typically not registered with the SEC. In addition, they are not guaranteed by the U.S. government, LPL Financial or the Plan. The structure of, or investments within, stable value may vary, and it is important to consider these differences in selecting a stable value fund.



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- Although a contract may provide for book value (even if fair market value is less) for participant-initiated events, the contract typically will not provide for book value for certain employer-initiated events (e.g., plan terminations, layoffs, sale of a division, employer bankruptcies, or change in recordkeepers). In the case of employer-initiated events, the contract typically will provide for a fair market value adjustment, which will not allow the Plan or participants to immediately receive book value if fair market value is less. It is important that plan sponsors understand these terms of the contract, in particular, as it will be a consideration in a future decision as to whether to terminate the stable value product provider.
- As the stable value product wrap provider guarantees the receipt of book value to participants, it is important to consider the financial stability of the provider. It also is important to understand the underlying assets of the stable value product, as the type and quality of the assets will bear on the risk vs. reward characteristics that result in a variance between book value and fair market value.
- There are fees and costs associated with stable value products.

### UNAUTHORIZED PROHIBITED ACTS

You should be aware of the following to protect yourself and the Plan and to prevent unauthorized acts within your control.

1. Do not make payment to your Representative for the purchase of securities or for the brokerage services under this Agreement.
2. Do not pay cash or a cash equivalent for a security purchase; use a traceable instrument.
3. Be aware that Representatives are prohibited from taking personal possession of the Plan's securities, stock powers, monies or any other personal or real property in which the Plan may have an interest. Representatives may not lend to you or the Plan or borrow from you or the Plan any monies or securities.
4. Do not accept any commission rebate or any other inducement with respect to the Plan's purchase or sale of securities.
5. Do not enter into an understanding whereby you or the Plan agrees to buy securities directly from or sell securities directly to your Representative.
6. Do not agree to enter into any other business relationship with your Representative including, but not limited to, helping to capitalize or finance any business of your Representative.

### GENERAL TERMS APPLICABLE TO BROKERAGE SERVICES

#### 1. Applicable Rules & Regulations

All investments, transactions or services for or on behalf of the Plan are subject to the rules, customs and usages of the exchanges, markets or clearing houses in effect for such investments, transactions or services and to all applicable federal and state laws and regulations. You acknowledge that LPL reserves the right in its sole discretion to refuse or restrict orders with respect to the Plan and that LPL may re-assign the Plan to a different representative or close or terminate the brokerage services by giving you written notice.

The Financial Industry Regulatory Authority (FINRA) requires that we provide the following information concerning its BrokerCheck program. An investor brochure that includes information describing FINRA BrokerCheck may be obtained from FINRA. The FINRA BrokerCheck hotline number is (800) 289-9999. The FINRA website address is [www.finra.org](http://www.finra.org). Any complaints regarding the handling of your account may be directed to your financial advisor and/or to LPL Financial at 800-558-7567.

#### 2. Capacity To Enter into Agreement and Plan Instructions

You represent and warrant that you have the power and authority to act on behalf of the Plan and the Sponsoring Employer of the Plan identified in the Account Application, to open a securities account, to purchase investments from and enter contracts with the Service Provider identified in the Account Application, and to authorize LPL to conduct securities business on behalf of the Plan. You agree to notify LPL and your Representative, in writing, of any amendments to the Plan, any change in persons authorized to act on behalf of the Plan, including but not limited to the Plan administrator, signatories, trustees or authorized agents, or any other event that could alter the representations and warranties stated herein. You will provide LPL with all necessary authorizations to open accounts and effect transactions in securities under



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this Agreement. LPL is permitted to rely upon your instructions and authorizations, as well as any other person whom the Plan or Sponsoring Employer may designate from time to time or any other person having apparent authority to act on the Plan's behalf. LPL may take reasonable and necessary steps to carry out the instructions and to implement such other actions that are authorized for the Plan from time to time. If your authority is terminated, the other authorized agents or agent of the Sponsoring Employer will promptly give LPL notice; but, until LPL's receipt of such notice, LPL is authorized to rely upon the agency authority granted pursuant to this Agreement. LPL will not be responsible for the authorized agents' services, or the decisions or consequences of the authorized agents' decisions. The Plan, the Sponsoring Employer and the authorized agents agree to hold LPL harmless from any loss, cost, expense, damage, claim, or liability arising from the authorized agents' decisions, instructions, acts or failures to act.

#### 3. Lien

All securities and other property which LPL may at any time be carrying for the Plan or which may at any time be in LPL's possession or under LPL's control, shall be subject to a general lien and security interest in LPL's favor for the discharge of all the Plan's indebtedness and other obligations to LPL, without regard to LPL having made any advances in connection with such securities and other property and without regard to the number of accounts the Plan may have with LPL. In enforcing LPL's lien, LPL shall have the discretion to determine which securities and property are to be sold and which contracts are to be closed. For purposes of this Agreement, "securities and other property," as used herein shall include, but not be limited to, money, securities, and commodities of every kind and nature and all contracts and options relating thereto, whether for present or future delivery. Notwithstanding any other provision in this Agreement to the contrary, any lien or security interest arising out of fees, charges or other obligations owed to LPL by an account of a Plan subject to the prohibited transaction provisions of section 4975(c) of the Internal Revenue Code shall be limited to and enforceable against only the assets of such Plan account and any lien or security interest arising out of fees, charges or other obligations owed to LPL by a non-Plan account shall not extend to or be enforceable against the assets of any Plan account.

#### 4. Extraordinary Events

LPL shall not be liable for loss caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, war, strikes or other conditions beyond LPL's control.

#### 5. Governing Law

This Agreement and its enforcement will be governed by the laws of The Commonwealth of Massachusetts.

#### 6. Communications

Communications with respect to the Plan may be sent to you at the address shown on the Account Application, which is on file at LPL's office, or at such other address as you may hereafter give LPL in writing, and all communications, so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the Plan, whether actually received or not.

#### 7. Scope and Transferability

This Agreement shall cover individually and collectively all accounts you may open or reopen with LPL on behalf of the Plan, and shall inure to the benefit of LPL's successors whether by merger, consolidation or otherwise, and assigns, and LPL may transfer your accounts to its successors and assigns, and this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

#### 8. Separability

If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.



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### 9. Headings are Descriptive

The heading of each provision hereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

### 10. Recording Conversations

You acknowledge, understand, and agree that for our mutual protection, LPL may electronically record any of our telephone conversations. You agree not to record any telephone conversation without express written authorization of LPL and the individual(s) engaged in the conversation.

### 11. Communications, Delivery of Prospectuses and Other Information

To the extent permitted by applicable law, communications with respect to the Plan (including without limitation this Agreement and any required disclosures) may be sent to you through mail, overnight express delivery, or electronically, at LPL's or the Representative's discretion. Communications will be sent to the postal or electronic address ("E-Address") shown on the Account Application, which is on file at LPL's office, or at such other postal or E-Address as you may hereafter provide to LPL in accordance with procedures LPL may establish from time to time. The E-Address may be an e-mail address, other Internet address, fax number, or other electronic access address. Communications will be deemed delivered when sent, whether actually received or not, even if LPL has notice of non-delivery. Communications posted to an online location by LPL will be deemed to be delivered to, and received by, you at the time that LPL sends notice to you in accordance with this Agreement that the communication is posted online and available for review.

LPL may, at its option, send communications to you electronically either:

- to your E-Address, or
- by posting the information online and sending you a notice to your postal address or E-Address telling you that the information has been posted and providing instructions on how to view it.

You agree that you will notify LPL and the Representative immediately in the event of a change to your postal address or E-Address. All notices to LPL or the Representative must be provided in writing at LPL's or the Representative's postal address, as applicable, and as such address may be updated by notice to the other parties from time to time. Any notice you send LPL or the Representative will not be effective until actually received. You assume the risk of loss in the mail or otherwise in transit.

The Service Provider makes available a prospectus or other offering document for each investment product selected by the Plan, including by posting such prospectus or other offering document on Service Provider's website, which is set out in the agreements and other documentation provided to you by the Service Provider at the time of engagement with the Service Provider. Please refer to Schedule A to this Agreement which includes a list of Service Provider websites to obtain the prospectus or other offering document. Because this list may not be complete or because these websites may change from time to time, you should contact Service Provider or your Representative for an updated website address. You agree to receive prospectuses or other offering documents through such web access. You may also obtain a prospectus or other offering document by contacting the Service Provider directly or your Representative. You acknowledge that you are responsible for making the prospectus or other offering document available to your Plan participants.

### 12. Entire Agreement

This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein. This Agreement may be amended by LPL upon thirty (30) days notice to you. To access the most current version of this Agreement, please reference [www.lpl.com](http://www.lpl.com).



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### 13. Refusal to Accept Orders

LPL shall not be liable for refusing to obey any orders given by you with respect to an account(s) which has or have been the subject of attachment or sequestration in any legal proceeding against you, and LPL shall be under no obligation to contest the validity of any such attachment or sequestration.

### 14. Complaints

Kindly direct any complaints regarding the handling of the Plan's account to your Representative(s) and to LPL's Legal Department at:

75 State Street, 22nd Floor  
Boston, MA 02109  
or (800) 775-4575 extension 4497

LPL will respond to you as promptly as possible.

### 15. SIPC

LPL is a member of the Securities Investor Protection Corporation ("SIPC"). For more information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

### 16. Account Application – Employer-Sponsored Retirement Plan – Direct Business

You understand that the Account Application is part of this Agreement and that by signing on the last page of the Account Application, you are agreeing to all of the terms and conditions in this Agreement and you are acknowledging receipt of the ERISA 408(b)(2) disclosures contained at the end of this Agreement. You must complete in full the Account Application and you acknowledge the accuracy of its contents.

### 17. Important Information about Procedures for Opening This 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. The Plan is required to provide the following information, among other items, on new account forms: name, address and other information that will allow LPL to confirm Client's identity. In addition, your Representative may also ask to see other identifying documents.

### 18. Conflicts of Interest

LPL is a broker-dealer to the Plan account and LPL's interests may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to the Plan. We are paid both by the Plan and, sometimes, by other entities that compensate us based on transactions for the Plan's account. For more information regarding material conflicts of interest and the entities that make these payments and a description of the services provided, please visit our website at [www.lpl.com](http://www.lpl.com), click on Disclosure or contact LPL Client Services at (800)-558-7567.

### 19. Limitation of Liability

Neither LPL, your Representative nor any of their officers, directors, employees, or affiliates shall be liable for any loss incurred with respect to the account, except where such loss directly results from such party's negligence or misconduct. You acknowledge that none of LPL, your Representative or their employees are agents of each other or of any of their affiliates, and that no party shall be liable for any act or omission of another party or their agents or employees. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which you may have under federal or state securities laws or ERISA. You further understand that there is no guarantee that your investment objectives will be achieved. Neither LPL nor your Representative shall have any liability for your failure to inform your Representative in a timely manner of any material change in the Plan's financial circumstances, or to provide your Representative with any information as to the Plan's financial status as may be reasonably requested.



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## 20. Arbitration Agreement

### Disclosures

By signing this Arbitration Agreement in the Account Application the parties agree as follows:

- (A) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (B) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (C) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (D) The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first hearing date.
- (E) The Panel of Arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- (F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

In consideration of opening one or more accounts for the Plan, you agree that any controversy between you, the Plan and LPL and/or your Representative(s) (whether or not a signatory(ies) to this Agreement or Arbitration Agreement), arising out of or relating to the Plan's account, transactions with or for the Plan, or the construction, performance, or breach of this Agreement whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration in accordance with the rules, then in effect of FINRA. Any arbitration award hereunder shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. You understand that you cannot be required to arbitrate any dispute or controversy nonarbitrable under federal law.





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### Schedule A

Below is an approved list of Service Providers, and their websites. This list may not be a complete list of all Service Providers that provide services to a Plan. A Service Provider also may change the website address. In addition, in some cases, the Service Provider may customize a website specifically for the Plan, and will provide you separately the website address specific to your Plan. If the Service Provider's website has changed, please contact your Service Provider or your Representative.

ADP: [www.mykplan.com/sponsor](http://www.mykplan.com/sponsor)

American Funds: [www.americanfunds.com/retiresponsor](http://www.americanfunds.com/retiresponsor); [www.sponsor.americanfunds.com](http://www.sponsor.americanfunds.com);  
[www.planadmin.americanfunds.com](http://www.planadmin.americanfunds.com).

Ascensus: [www.sponsorinsight.com](http://www.sponsorinsight.com)

Ameritas: [www.ameritas.com](http://www.ameritas.com)

Aspire: [www.aspireonline.com](http://www.aspireonline.com)

CUNA Mutual Retirement Solutions: [www.cunamutualrs.com](http://www.cunamutualrs.com)

FidelityAdvisor: [www.Psw.fidelity.com](http://www.Psw.fidelity.com)

Empower: [www.empower-retirement.com/plan-sponsors/](http://www.empower-retirement.com/plan-sponsors/)

John Hancock: [www.ps.jhancockpensions.com](http://www.ps.jhancockpensions.com)

Lincoln: [www.LincolnFinancial.com](http://www.LincolnFinancial.com)

MassMutual: <https://wwwrs.massmutual.com/trc/login.asp>

MassMutual Aviator: [www.massmutual.com/planaccess](http://www.massmutual.com/planaccess)

Matrix: contact your plan's recordkeeping provider

Mid-Atlantic: contact your plan's recordkeeping provider

Mutual of Omaha: [www.getretirementright.com](http://www.getretirementright.com)

Nationwide: [www.nationwide.com/planlogin](http://www.nationwide.com/planlogin)

Newport Group: <https://www.plandestination.com/sponsors/login.aspx>

Ohio National: [www.ohionationalretirementplans.com/login](http://www.ohionationalretirementplans.com/login) or [www.ohionational.com/portal/site/grp](http://www.ohionational.com/portal/site/grp)

OneAmerica: <http://www.oneamerica.com/prospectuses>

Paychex: [www.paychex.com/employee-benefits/401k-retirement](http://www.paychex.com/employee-benefits/401k-retirement)

Principal: [www.principal.com](http://www.principal.com)

Prudential: <https://rsosponsor.prudential.com/sponsor>

Securian: [www.securianretirementcenter.com](http://www.securianretirementcenter.com)

Standard: [www.standard.com](http://www.standard.com)

Transamerica: [www.Trsretire.com](http://www.Trsretire.com)

VOYA: [www.voyaretirementplans.com/sponsor](http://www.voyaretirementplans.com/sponsor)





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## RETIREMENT PLAN BROKERAGE SERVICES ERISA 408(B)(2) DISCLOSURE INFORMATION – APPLICABLE FOR ERISA RETIREMENT PLANS

This information is being provided to you as the sponsor or other responsible fiduciary of a retirement plan (“Plan”) subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) that maintains an investment account at LPL.

For more information regarding the services that LPL may make available to the Plan pursuant to this Agreement and related compensation, please refer to the Account Application – Employer-Sponsored Retirement Plan – Direct Business (“Account Application”) completed by the Plan and any related disclosures, documents or other agreements you received from your Service Provider in connection with the Plan’s investments. Please review this disclosure document in conjunction with the Account Application and such other related disclosures, documents or other agreements.

If you have any questions concerning this disclosure document or the information provided to you concerning our services and compensation or require paper copies of any documents referenced herein, please ask your Representative or LPL Client Services at 1-800-558-7567.

### I. SERVICES OF LPL FINANCIAL

LPL acts as the broker to the Plan account established at the Product Sponsor or Platform Provider (“Service Provider”) identified in the Account Application. LPL provides brokerage services as described in this Agreement. LPL is a broker-dealer registered with the Securities and Exchange Commission. LPL is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

The brokerage services that your Representative may provide, if requested by the Plan, include: (i) providing investment recommendations regarding investments to be made available to Plan participants; (ii) conducting participant enrollment meetings; (iii) providing investment reports showing the performance of funds in the Plan’s investment menu; (iv) providing general education to participants regarding the terms and operation of the Plan and the investment options under the Plan; and (v) providing general education to the Plan sponsor or its investment committee regarding the investment options under the Plans.

LPL is not the custodian of the Plan’s account established through the Service Provider. The custodian selected by the Service Provider is responsible for issuing periodic statements for the Plan’s account.

Services that the Plan may receive from Service Provider are outside the scope of this disclosure document. For information on those services and related fees and expenses, please refer to Service Provider’s separate 408(b)(2) disclosure document or contact Service Provider.

LPL is not acting as an investment adviser registered under the Investment Advisers Act of 1940 or under state investment adviser laws. To the extent that LPL or your Representative provides “investment advice” to the Plan under section 3(21) of ERISA in connection with this Agreement, LPL and your Representative will provide such investment advice services as a “fiduciary” under ERISA and section 4975 of the Internal Revenue Code. This acknowledgment of status under ERISA or the Code is not intended to create or expand any “fiduciary” relationship, capacity or obligations between the Plan and LPL and Representative (including their affiliates) under other federal, state or local laws. If the Service Provider makes available to the Plan a separate investment fiduciary to take investment discretion regarding the Plan’s investment menu, and the Plan has independently engaged the separate investment fiduciary to provide such discretionary investment advisory services, LPL is not a fiduciary with respect to the recommendations or advice of the separate investment fiduciary.

If LPL or your Representative provides brokerage or investment advisory services to the Plan pursuant to a different program or agreement, please refer to the applicable account agreement and/or disclosure documents in connection with those services.



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## II. COMPENSATION RECEIVED BY LPL AND/OR YOUR REPRESENTATIVE

### 1. GENERAL

The compensation LPL and your Representative receives for brokerage services to the Plan is stated in the Service Provider's documents that you signed with the Service Provider. It is important that you understand the services provided by LPL and your Representative and the compensation LPL and your Representative receives in connection with those services from the Plan and from third parties. You should consider the information below in connection with services provided to you under this Agreement.

### 2. DIRECT COMPENSATION

LPL and/or your Representative receive compensation in the form of a commission when they engage in a securities transaction in an agency capacity. This compensation, sometimes called a sales load or sales charge, is typically paid upfront, reduces the amount available to invest, and is charged directly against the Plan's investment and based on the amount of assets invested. If the Plan's arrangement includes direct commissions or sales charges, you should be aware that commissions vary and the more transactions the Plan enters into, the more commissions LPL and/or your Representative receive. For more information about an applicable sales charge, please refer to the prospectus or other offering document of the investment product provided to the Plan in connection with the investment. For mutual funds, commissions or sales charges can be as high as 8.5%, although the maximum is typically 5.75%. For annuities, the maximum upfront commission is typically 7.75%.

### 3. INDIRECT COMPENSATION

Indirect compensation is compensation paid by third parties rather than or in addition to being paid directly by the Plan. For example, a mutual fund underwriter, variable annuity issuer or distributor, or other Service Provider pays LPL an ongoing amount that is based on the value of the Plan's investment in the product. Indirect compensation may be charged by the product sponsor against the Plan's investment or reflect the net value of the Plan's investment in a product.

- (a) Distribution and/or Servicing Fees, Commissions, 12b-1 Fees and Trail Payments. LPL receives certain ongoing payments called trails, trailing commissions, distribution and/or service fees, or 12b-1 fees. They are paid by the Service Provider (or its affiliates) for LPL's sales and distribution-related services, and are made pursuant to LPL's agreement with the Service Provider (or its affiliates). For mutual funds, the trailing commission is typically between 0.25% and 1% of assets annually, however, for some annuities, the maximum trailing commission is 1.5%. For more detailed information about the amount of compensation that LPL and your Representative receive with respect to the Plan's investment, you should refer to the Account Application, the prospectus or other offering documents for the security or contract, and the Service Provider's required paperwork. This compensation is shared between LPL and your Representative.
- (b) Sponsorship Program Arrangements. In addition to the compensation described above, LPL receives under LPL's sponsorship programs compensation from Service Providers and/or their affiliates for marketing their retirement plan products and platforms. LPL enters into an agreement with the Service Provider (or its affiliate) related to the sponsorship program. LPL receives marketing and educational support payments of up to \$300,000 on an annual basis from retirement plan product sponsors to assist training and educating financial advisors, including your Representative, across LPL's advisory and brokerage platforms. Such compensation is not received in connection with any particular LPL Plan customer. The Service Providers and/or their affiliates that participate in these sponsorship programs are listed on the Legal Disclosures page on LPL's website ([www.lpl.com](http://www.lpl.com)). Your Representative does not receive any part of these sponsorship program payments.
- (c) Technology Funding. When LPL incurs technology development-related costs associated with the launch or maintenance of a platform, tool or service, LPL sometimes receives reimbursements from product sponsors for such costs. Because LPL benefits from product sponsors' reimbursements of technology development-related costs, LPL's financial interests are conflicted with its ability to use strictly objective factors when selecting product sponsors to make available on the applicable platforms.



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### 4. OTHER TYPES OF COMPENSATION

- (a) Miscellaneous and Non-Cash Compensation. In addition, although not in connection with any particular LPL customer, LPL, LPL employees and/or your Representative receive compensation from product sponsors. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, client workshops or events, or marketing or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse LPL for the costs associated with, education or training events that may be attended by LPL employees and representatives and for LPL-sponsored conferences and events, which may include events under the Sponsorships Programs described above.
- (b) Outside Business Activities. LPL Representatives are permitted to engage in certain LPL approved business activities other than the provision of brokerage and advisory services through LPL, and in certain cases, a Representative could receive greater compensation through the outside business than through LPL. An LPL Representative could also be an accountant, real estate agent, tax preparer, lawyer, or refer customers to other service providers and receive referral fees, for example. As other examples, a Representative could provide advisory or financial planning services through an independent unaffiliated investment advisory firm, sell insurance through a separate business, or provide third party administration to retirement plans through a separate firm. If a Representative provides investment services to a retirement plan as a representative of LPL and also provides administration services to the plan through a separate firm, this typically means the Representative is compensated from the plan for the two services. If you engage with an LPL Representative for services separate from LPL, you may wish to discuss with him or her any questions you have about the compensation he or she receives from the engagement.

### III. OTHER INFORMATION RELATED TO COMPENSATION

- (a) Investment-Related Information in Prospectus. If the Plan is an individual account plan that permits participants or beneficiaries to direct the investment(s) in their accounts, and if one or more designated investment alternatives are made available in connection with LPL's brokerage services, the following information for each investment alternative may be found in the current prospectus or other disclosure materials of the issuer of the designated investment alternative, copies of which have been provided to you: (i) a description of any compensation that will be charged directly against the amount invested in connection with the acquisition, sale, transfer of, or withdrawal from the investment contract, product, or entity (such as, sales loads, sales charges, deferred sales charges, redemption fees, surrender charges, exchange fees, account fees, and purchase fees); (ii) a description of the annual operating expenses (the annual expense ratio) if the return is not fixed; and (iii) description of any ongoing expenses in addition to annual operating expenses (such as, wrap fees, mortality and expense fees). LPL makes no representations as to the completeness or accuracy of such disclosure materials. You should refer to the prospectus or other disclosure materials for the particular designated investment alternative.
- (b) Arrangements between LPL and Your Representative. Commissions and trail payments described above with respect to the Plan's investments are paid to LPL, and LPL shares a portion with your Representative based on an agreement between LPL and your Representative. A portion of the commissions and trails may be paid by the Representative to his or her LPL branch manager or another LPL representative for supervision or administrative support. Your Representative is a registered representative of LPL and provides brokerage services on behalf of LPL. Your Representative is an independent contractor and not an employee of LPL. LPL shares with your Representative between 90% to 100% of the commissions and ongoing trail payments LPL receives in connection with the Plan's investment. A portion of the payments LPL makes to your Representative may be paid by the Representative to his or her LPL branch manager or another LPL representative for supervision or administrative support.

If your Representative provides services on the premises of unaffiliated businesses, including insurance companies, employee benefit companies, and financial institution such as a bank or credit union, your Representative may pay such business entity a fee for the use of the premises and facilities and for administrative support.



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In particular, LPL has entered into agreements with financial institutions which allow LPL financial advisors to offer investment and insurance products on the premises of the financial institution and compensate the financial institution for the use of its facilities and for client referrals. If your Representative is an employee of the financial institution where it provides services to the Plan, LPL typically shares with the financial institution between 75% to 100% (depending on the type of investment product) of the commissions and ongoing trail payments that LPL receives in connection with the Plan's investment. In such case, your Representative (an employee of the financial institution) will be compensated (e.g. in the form of salary, bonus, compensation based on commissions, etc.) by the financial institution in accordance with the terms agreed upon between the financial institution and the Representative (which vary depending on each financial institution and employee). If your Representative is not an employee of the financial institution where it provides services to the Plan, LPL typically shares with your Representative between 25% to 100% and with the financial institution between 0% to 75% (depending on the type of investment product) of the commissions and ongoing trail payments that LPL receives in connection with the Plan's investment.

LPL pays other compensation to such financial institution or to your Representative, such as bonuses, awards or other items of value offered by LPL. In particular, LPL pays a financial institution or registered representatives in different ways, for example, by: payments based on production; equity awards from LPL's parent company, LPL Financial Holdings Inc. consisting of awards of either restricted stock units (a promise to deliver stock in the future) or stock options to purchase stock, in each case subject to satisfaction of vesting and other conditions; reimbursement or credits of fees that LPL charges for items such as administrative services; and other items of value such as free or reduced-cost marketing materials; payments in connection with the transition from another broker-dealer firm to LPL, or attendance at LPL conferences and events.

- (c) Termination of Services. If the brokerage services under this Agreement are terminated, LPL may continue to receive trail payments and sponsorship program compensation as described above from the Service Provider until the Plan arranges a change to the broker-dealer shown on the Plan's account.

Please consult the Retirement Plans Disclosures page on LPL's website ([www.lpl.com](http://www.lpl.com)) for the most current ERISA 408(b)(2) disclosures. LPL posts any changes to its ERISA 408(b)(2) disclosures on its website from time to time. LPL may not notify you when these changes are made and it is your responsibility to consult the website to learn about any changes that have been made to these disclosures. If you are unable to access the website or require paper copies of any documents referenced herein, please contact your Representative or LPL Client Services at (800) 558-7567.

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