

# BNY Mellon Investment Servicing Trust Company SIMPLE Individual Retirement Custodial Account Application and Adoption Agreement

This application should be used to open a SIMPLE IRA investing in the Legg Mason Funds only. BNY Mellon Investment Servicing Trust Company will serve as Custodian for this account. If you have any questions, please call Shareholder Services, at 1 800-822-5544, Monday through Friday, 8:00 am – 5:30 pm (ET).

## THE USA PATRIOT ACT

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 account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. This information will be verified to ensure identity of all individuals opening a mutual fund account. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identity, we reserve the right to close your account or take other steps that we may deem advisable.

## Establishing a SIMPLE IRA

To establish a SIMPLE Individual Retirement Account ("SIMPLE IRA"), please complete the Legg Mason Funds SIMPLE IRA Application and Adoption Agreement" (the "Application"). The applicant's name must be that of an individual, not a business or trust. The SIMPLE IRA you establish with the Custodian is referred to in these forms and documents as "your SIMPLE IRA" or "custodial account", depending on the context. The Custodian of the SIMPLE IRA you establish pursuant to the Application must receive the complete name and address of your employer.

For tax years limits, please consult IRS Publications 560 or 590 or consult a professional tax advisor for more information about eligibility requirements and contribution restrictions.

Contributions to your SIMPLE IRA may be invested in one or more mutual funds pursuant to the Mutual Fund Option (please see "Description of Available Options for Your Contributions"). Prospectuses for the mutual funds available through the Mutual Fund Option (the "Funds") may be obtained by calling 1-800-822-5544. Before investing in a Fund, please be sure to read the prospectus for that Fund carefully.

All portions of this SIMPLE IRA Application and Adoption Agreement are binding on you so you are encouraged to read all portions of it, and in particular the section titled "Description of Available Options for Your Contributions", the Custodial Account Agreement and the Application section titled "Terms and Conditions".

There is no minimum or subsequent investment for Class A or C

## 1 TYPE OF SIMPLE IRA (CHECK ONE)

- Check here if you are establishing this Account in connection with a SIMPLE IRA plan maintained by your employer.
- Check here if this is a transfer or rollover from another SIMPLE IRA which was part of a SIMPLE IRA plan maintained by your employer.

Date of first contribution to your prior SIMPLE IRA under the employer's SIMPLE IRA plan \_\_\_\_\_.

## 2 ACCOUNT OWNER INFORMATION

Account Owner Name (first) (middle initial) (last)

Date of Birth Social Security Number Email Address

Citizenship of Account Owner:  U.S. Citizen  Resident Alien \_\_\_\_\_ Country of Citizenship

Daytime Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_ Other Phone \_\_\_\_\_

Residential U.S. Street Address (Required) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Account Mailing Address (if P.O. Box or different from above) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Occupation/Status (indicate student, retired, or not employed, if applicable) \_\_\_\_\_

**Affiliation** Is the Account Owner employed by Legg Mason or a FINRA member firm?  Yes  No

Tax Bracket:  Below 15%  15-24%  25-32%  33% and above

### 3 EMPLOYER INFORMATION- (REQUIRED TO ESTABLISH ACCOUNT)

Legg Mason Funds offers employers the Non-DFI Plan SIMPLE IRA option only. Under a "Non-DFI plan" (Non-Designated Financial Institution) which may be established using IRS Form 5304-SIMPLE or prototype plan, each eligible employee establishes a SIMPLE IRA with the financial institution of his or her choice. Contributions are transferred by the employer to each eligible employee's SIMPLE IRA.

Employer Name \_\_\_\_\_ Employer Tax Identification Number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person Name \_\_\_\_\_ Contact Person's Phone Number \_\_\_\_\_

### 4 DESIGNATION OF BENEFICIARY

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). I understand that, unless I have specified otherwise, if I name multiple Primary Beneficiaries and a beneficiary does not survive me, such interest is terminated and that percentage will be divided proportionately among the remaining Primary Beneficiaries. Similarly, unless I have specified otherwise, if no Primary Beneficiary survives me and I have named multiple Contingent Beneficiaries and a beneficiary does not survive me, such interest is terminated and that percentage will be divided proportionately among the remaining Contingent Beneficiaries. I understand that I may change my beneficiaries at any time by giving written notice to the Custodian. If I do not designate a beneficiary, or if all designated beneficiaries predecease me, my surviving spouse will become the beneficiary of my IRA. If I do not have a surviving spouse at the time of my death, my estate will become the beneficiary of my IRA.

**Per Stirpes Beneficiary Designations:** The Custodian shall accept as complete and accurate all written instructions provided in good order by the estate/executor with regard to the identification of the beneficiaries and the allocations thereto.

**Participant's Designation:** In the event of my death, I hereby designate the following individuals as the Primary and Contingent Beneficiary(ies) to receive all benefits that may become due and payable under my IRA. If I name a beneficiary that is a Trust, I understand that I must provide certain information concerning the Trust to the Custodian.

**A. Primary Beneficiary or Beneficiaries**

Name	Relationship	Date of Birth	Social Security No.	Proportion: Must total 100%

**B. Contingent Beneficiary or Beneficiaries**

Name	Relationship	Date of Birth	Social Security No.	Proportion: Must total 100%

**Note:** Consent of the Participant’s spouse may be required in a community property or marital property state to effectively designate a beneficiary other than, or in addition to, the Participant’s spouse.

**Disclaimer for Community and Marital Property States:** The Participant’s spouse may have a property interest in the account and the right to dispose of the interest by will. Therefore, any sponsors, issuers, depositories and other persons or entities associated with the investments and the Custodian specifically disclaim any warranty as to the effectiveness of the Participant’s beneficiary designation or as to the ownership of the account after the death of the Participant’s spouse. For additional information, please consult your legal advisor.

I consent to the Beneficiary Designation.

\_\_\_\_\_  
Signature of Spouse Date

\_\_\_\_\_  
Signature of Witness for Spouse Date

## 5 ACCOUNT PROFILE (APPLIES TO ACCOUNTS WITH LEGG MASON INVESTOR SERVICES AS DEALER OF RECORD ONLY)

In order to comply with industry rules, Legg Mason is required to ask for information about your financial situation and investment objectives.

**A. Investment Objectives** (Rank up to three in order of priority, with “1” as first, “2” as second, etc.)

Investment objectives describe your personal financial goal for the assets in your account. Investment objective options are:

- Preservation of Capital: Seek preservation of principal. Can accept the lowest returns in exchange for price stability.
- Income: Seek current income rather than capital appreciation and to minimize fluctuations in market value.
- Income and Growth: Seek current income and moderate capital appreciation while assuming moderate fluctuations in market value.
- Growth: Seek capital appreciation while assuming fluctuations in market value.
- Aggressive Growth: Seek higher capital appreciation while assuming greater-than-average fluctuations in market value.

**B. Financial Information**

Net Worth, excluding Primary Residence (thousands)

- A.  Under \$30   B.  \$30-\$50   C.  \$50-\$100   D.  \$100-\$500   E.  Above \$500

Income (thousands)

- A.  Under \$25   B.  \$25-\$50   C.  \$50-\$100   D.  \$100-\$150   E.  \$150-\$200   F.  Above \$200

## 6 PAYMENT OF CUSTODIAN FEES

The annual Custodian fee is \$15 for each Legg Mason Funds IRA custodial account. You may either choose to remit payment for the fee by check no later than December 1 or do nothing and have the fee deducted from your IRA account(s) on or about December 19. The custodian reserves the right to change the custodial fee, but will give at least 30 days written notice to the Participant of any fee changes.

- I have enclosed a separate check for \$15.00 covering the annual maintenance fee for the first year.

## 7 METHOD OF INVESTMENT

There is no minimum initial or subsequent investment for Classes A and C. **Cash, money orders, third-party checks, starter checks, credit card convenience checks, and traveler's checks are NOT accepted.**

The minimum initial investment is \$1,000 per fund and the minimum subsequent investment is \$50. If you wish to establish a Future First systematic investment plan the minimum is \$50 per transaction, per fund.

For Class I, the minimum initial investment is \$1,000,000 per fund and there is no minimum for subsequent investments. Please refer to the prospectus of the fund you are seeking to invest in to determine whether you are eligible to invest in Class I shares. If you choose to establish a Future First systematic investment plan, you must meet the minimum initial investment of \$1,000,000 and \$50 per transaction, per fund. Please refer to the Important Account Information section that follows the application for additional information regarding Future First<sup>®</sup>. **Cash, money orders, third-party checks, starter checks, credit card convenience checks, and traveler's checks are NOT accepted.**

Please make checks payable to: Legg Mason Funds

- Check enclosed for \$ \_\_\_\_\_
- Check enclosed for \$ \_\_\_\_\_ AND enrolling in a Future First<sup>®</sup> systematic investment plan (complete Section 8A).
- Future First<sup>®</sup> systematic investment plan only (complete Section 8A).
- Wire. To purchase shares by bank wire, please call Shareholder Services at 1-800-822-5544 for instructions.
- Transfer from another financial institution. A Legg Mason Funds Direct Transfer and Notice of Acceptance Form (**Medallion Signature Guaranteed**) and a copy of your most recent statement from your current firm must accompany this application.
- Transfer from an existing Legg Mason Fund Account \_\_\_\_\_. Please provide a signed Change of Ownership form. **Medallion Signature Guarantee may be required.**

## 8 FUND DESIGNATION

There is no minimum initial or subsequent investment for Classes A and C, however investors who choose Class I must meet the minimum initial investment of \$1,000,000 and there is no minimum for subsequent investments. I acknowledge that I have sole responsibility for my investment choices, that I have received a current prospectus for each fund that I select, and that I have read the respective prospectus of the fund(s) selected before investing.

Your share purchase cannot be processed unless you designate an eligible share class<sup>1</sup> for investment. It is your responsibility to request a specific fund and class of shares, which will be valued at the time the request is received. Not all Legg Mason Funds offer all share classes. Some funds may assess a redemption fee on certain redemptions of shares held for less than the specified minimum period of time. Some funds are not available in all states. Be sure to read the prospectus of the fund in which you are investing to confirm share eligibility, availability and other important information.

<sup>1</sup> Effective July 1, 2011, Class B shares will no longer be offered and will be closed to purchases by new and existing investors. Class B shares of the fund will continue to be available for incoming exchanges and for dividend reinvestment.

Fund Name /NASDAQ Symbol (if available)	Share Class	Dollar Amount	or	%
Fund Name /NASDAQ Symbol (if available)	Share Class	Dollar Amount	or	%
Fund Name /NASDAQ Symbol (if available)	Share Class	Dollar Amount	or	%

**A. TRANSACT**

Transact can only be used for redemptions made by phone. Purchases into the SIMPLE would be salary deferral or employer contributions which would be submitted via ACH or check.

**B. ONLINE ACCOUNT ACCESS**

Online account access service allows you the flexibility to view your account activity at any time via the Internet and includes other useful features to help you conveniently manage your account. As soon as you receive confirmation that your account has been established, visit [www.leggmason.com/accountaccess](http://www.leggmason.com/accountaccess) to sign up for this service.

**C. HOUSEHOLDING SERVICE**

The householding service combines mailings of confirmations, statements, prospectuses, proxies, shareholder reports, or other communications for accounts within your household into one envelope.

I currently have householding with Legg Mason Funds and I wish to add this fund account to my existing service. Existing member fund account number: \_\_\_\_\_ (this can be any account already linked to the household). If you are not currently set up for householding but would like to consolidate the mail that you receive, please call Shareholder Services at 1-800-822-5544 for information on this service.

**D. eDELIVERY (GO PAPERLESS)**

Legg Mason offers eDelivery of Account Statements, Daily Confirmations, Tax Forms, Prospectuses, Annual and Semi-Annual Fund Reports. If you consent to eDelivery, you will be sent email notifications alerting you that your documents are available for viewing on-line. Please note that confidential account information will not be sent by email. If an email is returned undeliverable, your account will be reset to receive paper copies of the documents. You can change your email address, delivery preferences or unsubscribe from eDelivery at any time by logging on to [www.leggmason.com/accountaccess](http://www.leggmason.com/accountaccess).

Please select which documents you would like to receive electronically by placing a check mark in the appropriate box(s):

Account Statements and Daily Confirmations  Fund Reports and Prospectuses

Tax Forms: IRS rules require consent to eDelivery of Tax Forms be made on-line. Please log on to [www.leggmason.com/accountaccess](http://www.leggmason.com/accountaccess) and enroll today.

**9 ACCUMULATION PRIVILEGE (CLASS A SHARES ONLY)**

In order to take advantage of a reduction in sales charges that may be available to you when you purchase shares, you must inform the fund or your Service Provider at the time of each purchase if there are other accounts in which there are holdings eligible to be aggregated with your purchase. For your initial investment, you must complete this portion of the application. If eligible accounts are held by another financial institution please attach the current shareholder statements with respect to those accounts. For detailed information regarding the Accumulation Privilege, please refer to the Important Account Information Section that follows the application and the fund(s) prospectus or SAI.

**IMPORTANT: IT IS NECESSARY TO MAKE REFERENCE TO THIS ACCUMULATION PRIVILEGE EACH TIME YOU PURCHASE SHARES OF A LEGG MASON FUND.**

I qualify for the Accumulation Privilege as described in the Prospectus. Listed below are the accounts eligible to be linked to my account. For accounts NOT held directly with Legg Mason Funds, I have attached a copy of the most recent shareholder statement.

Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held	Financial Advisor
Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held	Financial Advisor
Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held	Financial Advisor

# 10 LETTER OF INTENT PRIVILEGE (CLASS A SHARES ONLY)

A Letter of Intent helps you take advantage of breakpoints in Class A sales charges. You may purchase shares of Legg Mason Funds over a 13-month period and pay the same sales charge, if any, as if all shares had been purchased at once. You select your Asset Level Goal by checking the appropriate box below. For detailed information regarding the Letter of Intent Privilege, please refer to the Important Account Information Section that follows the application and the fund(s) Prospectus or SAI.

## A. Asset Level Goal

\$25,000     \$50,000     \$100,000     \$250,000     \$500,000     \$750,000     \$1,000,000

## B. Eligible Prior Purchases

You may credit toward your Asset Level Goal any Eligible Prior Purchases made in Eligible Accounts at any time prior to entering into this Letter that have not been sold or redeemed. Because the fund may not have access to information concerning all of the accounts in which your Eligible Prior Purchases may be held, to ensure that you receive credit towards your Asset Level Goal you must inform the fund or your Financial Advisor at the time you enter into this Letter about any other Eligible Prior Purchases that should be credited. Please provide the information below with respect to any eligible assets. If eligible accounts are held by another financial institution please attach the current shareholder statements with respect to those accounts. If the account is held in the name of your spouse or children under age of 21, please include the name of the account holder as well.

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Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held
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Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held
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Account Number	Account Owner(s) Name(s)	Name of Financial Firm where account is held
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# 11 SIGNATURE AND CERTIFICATION

## LEGG MASON DISCLOSURE

This section must be completed in order to establish your Legg Mason Funds account. Each Account Owner makes the following to Legg Mason and its affiliated entities ("Legg Mason"):

I have provided accurate and complete information. I have read and agree to all applicable terms of this Application and Adoption Agreement and the Important Account Information Section that follows the application ("agreement"). All investors hereby affirm receipt of a current prospectus for each fund purchased and agree to its terms. I have reviewed the current prospectus for the fund(s) in which I am investing and accept the terms stated therein. I have the authority and legal capacity to purchase mutual fund shares, am of legal age, and believe each investment is suitable for me. All other investors represent and warrant that the undersigned is duly authorized to sign this Application and to purchase or redeem fund shares on behalf of the investor, and that such authority and the purchase of fund shares is consistent with the investor's governing documents and any applicable law.

I understand that if investments are to be withdrawn from a joint bank account or bank account of another individual or corporation, signatures of all bank account holders are required and are included below. By selecting TransACT, I authorize Legg Mason and BNY Mellon Investment Servicing Trust Company, to initiate credits and debits to my account at the financial institution indicated. I further authorize my bank to accept any such credit or debit entries initiated and to credit or debit the account, without responsibility for the correctness thereof or for the existence of any further authorization relating thereto, through the ACH system, subject to the rules of the financial institution, ACH and Legg Mason. If necessary, I authorize Legg Mason to initiate adjustments for any debit or credit entries made to my account in error and further authorize my bank to accept said adjustments to my account. This authorization is in full force and effect until I notify Legg Mason of its revocation in writing. Any such notification shall be effective only with respect to entries initiated after receipt of such notification and only after Legg Mason has had sufficient time to act on such notification.

In the event of a fund merger or reorganization, I hereby authorize that all fund features that I have previously authorized for my account shall automatically convert to my new account in the new fund and remain in full force and effect until I notify Legg Mason Funds and the Custodian of my revocation in writing. I understand that any such notification shall be effective only with respect to entries initiated after receipt of such notification and only after Legg Mason has had sufficient time to act on such notification.

**IMPORTANT ACCOUNT INFORMATION SECTION. I CERTIFY THAT THE ACCOUNTS LISTED ON THIS APPLICATION ARE ELIGIBLE TO BE LINKED TO MY ACCOUNT. I HAVE READ AND AGREE TO THE TERMS OF THE LETTER OF INTENT PRIVILEGE AS SET FORTH IN THE PROSPECTUS AND IMPORTANT ACCOUNT INFORMATION SECTION THAT FOLLOWS THE APPLICATION. I CERTIFY THAT THE ACCOUNTS LISTED ON THIS APPLICATION ARE ELIGIBLE ACCOUNTS.**

I HAVE READ AND AGREE TO THE TERMS OF THE LEGG MASON ACCOUNT ACCESS SERVICE AS SET FORTH IN SECTION 16 OF THE ACCOMPANYING IMPORTANT ACCOUNT INFORMATION SECTION THAT FOLLOWS THE APPLICATION. I ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE ACCORDANCE WITH SECTION 14 IN THE IMPORTANT ACCOUNT INFORMATION SECTION THAT FOLLOWS THE APPLICATION AND I AGREE IN ADVANCE TO ARBITRATE ANY CONTROVERSIES THAT ARISE BETWEEN ME AND LEGG MASON.

As with all personal financial accounts, property may be transferred to the state if no activity occurs in your account within the time period specified by state law and we are unable to communicate with you about your account.

## **BNY MELLON INVESTMENT SERVICING TRUST COMPANY DISCLOSURE**

### **TERMS AND CONDITIONS**

I, the Participant, acknowledge receiving and reading the SIMPLE IRA Application and Adoption Agreement Instructions, the Disclosure Statement, the Custodial Account Agreement and the Privacy Notice (the "Account Documents"). I acknowledge receiving and reading the current prospectus for each Mutual Fund I may have designated for investment. I understand that contributions to my SIMPLE IRA will be invested in accordance with the written instructions I provide with respect to that contribution. The Custodian, upon proper instructions from me, is authorized to exchange units of one Eligible Asset for units of any other Eligible Asset and to purchase units of any Eligible Asset with the proceeds of any redemption.

Article VIII, Section 23 of the Custodial Account Agreement authorizes the Custodian to take or to omit to take certain actions in the event assets or property in my SIMPLE IRA account are liquidated and the Custodian does not receive timely instructions it can reasonably or practicably carry out and I agree to said Section 23.

I hereby establish a SIMPLE IRA in accordance with the instructions provided on these pages and agree to participate under the terms and conditions contained in the Account Documents and these pages titled "SIMPLE IRA APPLICATION AND ADOPTION AGREEMENT" (the "Full Agreement"). I agree that this SIMPLE IRA becomes effective only upon written acceptance by the Custodian and that such written acceptance will consist of a confirmation of transaction statement. I also acknowledge receiving a copy of the employer plan document under which this SIMPLE IRA is established.

I agree that the Custodian may amend (add to, delete from or revise) any term of the Full Agreement at any time by notice to me and that my sole remedy if I disagree with the amendment is to transfer funds in the SIMPLE IRA account to another custodian. I agree that the Full Agreement is binding on me and on my successors in interest.

**Custodial Fees:** \$15.00 annual maintenance fee per account per year. This fee is owed and due for each full and partial calendar year that the SIMPLE IRA is open. The Participant may pay the fee with funds other than those in the SIMPLE IRA ("non-custodial funds"). If the fee for a calendar year is not paid by the participant from non-custodial funds by the date reasonably designated by the Custodian or prior to closing the SIMPLE IRA account, the Custodian is authorized to deduct the fee from funds in the SIMPLE IRA account at any time immediately after such payment due date or immediately after receiving instructions to close the SIMPLE IRA account. The Custodian is authorized to change the fee but will give at least 30 days written notice to the Participant of any fee change. The Custodian will keep those records, identify and file returns and provide other information concerning the IRA as required of custodians by the Internal Revenue Code and any regulations issued or forms adopted by the Internal Revenue Service or U.S. Treasury Department.

I understand that the telephone transaction privileges will apply to my account. If I have telephone transaction privileges, I agree that neither the Custodian, Legg Mason Funds, nor their transfer agent, their agents, officers, trustees, directors or employees will be liable for any loss, liability or expense for acting, or refusing to act on instructions given under the telephone transaction privileges that are reasonably believed to be genuine and I accept the risk of loss.

I direct that upon my death benefits be paid as indicated on the beneficiary designation. If I name a Trust as beneficiary, I understand I must provide certain information concerning such Trust to the Custodian.

I (the Participant) certify under penalties of perjury that (i) all information I have provided on this form or otherwise in connection with establishing my SIMPLE IRA is true, correct, and complete, and (ii) I am a US person (including a US resident alien) and that my Social Security Number is true, correct and complete and that this number is my Taxpayer Identification Number. (Foreign persons must use appropriate Form W-8)

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies persons opening accounts; To comply, the Custodian requires the participant's name, address, date of birth and government-issued identification number (generally, a Social Security Number) and other information that may help the Custodian identify the participant; and the Custodian may ask for copies of related documentation and may consult third-party databases to help verify the participant's identity. I have read and I understand the Disclosure Statement which explains the risks of opening this account if I do not provide all requested identification materials or if my identity cannot be adequately verified in accordance with U.S. Government requirements.

**IMPORTANT**

**Tax Certification (Substitute W-9)**

Exemptions (see instructions)

Exempt payee code (if any) \_\_\_\_\_ Exemption from FATCA reporting code (if any) \_\_\_\_\_

I understand that federal law requires financial institutions to obtain, verify and record information that identifies each person or entity that opens a new account. Account owners are asked to provide their names, addresses, dates of birth (if applicable) and other information, which may include driver's license numbers or other identification numbers, so that the institution can accurately verify their identity. If Legg Mason is unable to verify a client's identity within a reasonable time after the account opening, the firm may restrict or close the account.

**Under penalties of perjury, I certify that:**

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued and will provide the number to the fund as soon as it is issued), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification Instructions:** Strike through item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. If a real estate transaction, no requirement to complete item 2. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN.

If you are subject to backup withholding, check the box in front of the following statement.

I have been notified by the IRS that I am subject to backup withholding.

**The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.**

\_\_\_\_\_  
Participant's Signature Date

If the Participant is a minor under the laws of the Participant's state of residence, a parent or guardian must also sign the Adoption Agreement here. Until the Participant reaches the age of majority, the parent or guardian will exercise the powers and duties of the Participant.

Federal Law requires the following identifying information for the parent or guardian acting for the minor:

\_\_\_\_\_  
Signature of Parent or Guardian Social Security Number Date of Birth

\_\_\_\_\_  
Residential Street Address City State Zip Code



**DEALER INFORMATION (FOR DEALER USE ONLY)**

Notice to Financial Advisors: Failure to complete the information in this section will result in your inability to receive commissions. If no dealer number is listed below, Legg Mason Investor Services, LLC will be named the dealer on this account.

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Dealer's Name (as it appears on Broker/Dealer Contract) NSCC Dealer Number (if applicable)

---

Street Address of Office Servicing Account City, State & Zip Code

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Financial Advisor (FA) Name (exactly as it appears on firm's registration)

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FA Number FA Branch Number FA Telephone Number

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We guarantee signatures on this application and legal capacity of signers.

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Authorized Signature of Dealer

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**CONTACT INFORMATION (INCLUDING CUSTOMER COMPLAINTS)**

<b>Mail:</b>	<b>Postal address</b> Legg Mason Funds P.O. Box 9699 Providence, RI 02940-9699	<b>Overnight carrier address</b> Legg Mason Funds 4400 Computer Drive Westborough, MA 01581
<b>Phone:</b>	To speak with an investment professional regarding any of our funds, please call toll-free: 1-800-822-5544, Monday through Friday, 8:00 am – 5:30 pm (ET)	
<b>Fax:</b>	1-508-599-4186	
<b>TeleFund:</b>	To access our telephone account management service, please call toll-free: 1-877-6LMFUNDS (1-877-656-3863)	
<b>Internet:</b>	<a href="http://www.leggmasonfunds.com">www.leggmasonfunds.com</a>	

An investor should consider a Fund's investment objectives, risks, charges and expenses carefully before investing. For a free prospectus, which contains this and other information on any Legg Mason Fund, visit [www.leggmasonfunds.com](http://www.leggmasonfunds.com). An investor should read the prospectus carefully before investing.

## IMPORTANT ACCOUNT INFORMATION FROM LEGG MASON

*In connection with your Legg Mason Funds account (“fund account” or “account”), you (the “Account Owner” or “Client”) agree to the terms and conditions as set forth below by Legg Mason and its affiliated entities (“Legg Mason” or “we”).*

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### 1 NOTICE OF IDENTITY VERIFICATION

**THE USA PATRIOT ACT:** 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 account, we will ask for your name, address, date of birth and other information that will allow us to identify you. This information will be verified to ensure the identity of all individuals opening a mutual fund account. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identity, we reserve the right to close your account or take other steps that we may deem advisable.

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### 2 PRIVACY AND SECURITY NOTICE

**Your Privacy and the Security of Your Personal Information is Very Important to the Legg Mason Funds**

This Privacy and Security Notice (the “Privacy Notice”) addresses the Legg Mason Funds’ privacy and data protection practices with respect to nonpublic personal information the Funds receive. The Legg Mason Funds include any funds sold by the Funds’ distributor, Legg Mason Investor Services, LLC, as well as Legg Mason-sponsored closed-end funds. The provisions of this Privacy Notice apply to your information both while you are a shareholder and after you are no longer invested with the Funds.

**The Type of Nonpublic Personal Information the Funds Collect About You**

The Funds collect and maintain nonpublic personal information about you in connection with your shareholder account. Such information may include, but is not limited to:

- Personal information included on applications or other forms;
- Account balances, transactions, and mutual fund holdings and positions;
- Online account access user IDs, passwords, security challenge question responses; and
- Information received from consumer reporting agencies regarding credit history and creditworthiness (such as the amount of an individual’s total debt, payment history, etc.).

**How the Funds Use Nonpublic Personal Information About You**

The Funds do not sell or share your nonpublic personal information with third parties or with affiliates for their marketing purposes, or with other financial institutions or affiliates for joint marketing purposes, unless you have authorized the Funds to do so. The Funds do not disclose any nonpublic personal information about you except as may be required to perform transactions or services you have authorized or as permitted or required by law. The Funds may disclose information about you to:

- Employees, agents, and affiliates on a “need to know” basis to enable the Funds to conduct ordinary business or comply with obligations to government regulators;
- Service providers, including the Funds’ affiliates, who assist the Funds as part of the ordinary course of business (such as printing, mailing services, or processing or servicing your account with us) or otherwise perform services on the Funds’ behalf, including companies that may perform marketing services solely for the Funds;
- The Funds’ representatives such as legal counsel, accountants and auditors; and
- Fiduciaries or representatives acting on your behalf, such as an IRA custodian or trustee of a grantor trust.

Except as otherwise permitted by applicable law, companies acting on the Funds’ behalf are contractually obligated to keep nonpublic personal information the Funds provide to them confidential and to use the information the Funds share only to provide the services the Funds ask them to perform.

The Funds may disclose nonpublic personal information about you when necessary to enforce their rights or protect against fraud, or as permitted or required by applicable law, such as in connection with a law enforcement or regulatory request, subpoena, or similar legal process. In the event of a corporate action or in the event a Fund service provider changes, the Funds may be required to disclose your nonpublic personal information to third parties. While it is the Funds’ practice to obtain protections for disclosed information in these types of transactions, the Funds cannot guarantee their privacy policy will remain unchanged.

**Keeping You Informed of the Funds’ Privacy and Security Practices**

The Funds will notify you annually of their privacy policy as required by federal law. While the Funds reserve the right to modify this policy at any time they will notify you promptly if this privacy policy changes.

## The Funds' Security Practices

The Funds maintain appropriate physical, electronic and procedural safeguards designed to guard your nonpublic personal information. The Funds' internal data security policies restrict access to your nonpublic personal information to authorized employees, who may use your nonpublic personal information for Fund business purposes only.

Although the Funds strive to protect your nonpublic personal information, they cannot ensure or warrant the security of any information you provide or transmit to them, and you do so at your own risk. In the event of a breach of the confidentiality or security of your nonpublic personal information, the Funds will attempt to notify you as necessary so you can take appropriate protective steps. If you have consented to the Funds using electronic communications or electronic delivery of statements, they may notify you under such circumstances using the most current email address you have on record with them.

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, or if you have questions about the Funds' privacy practices, write the Funds using the contact information on your account statements, email the Funds by clicking on the Contact Us section of the Funds' website at [www.leggmasonfunds.com](http://www.leggmasonfunds.com), or contact the Fund at 1-877-721-1926.

Revised April 2011

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### 3 REPRESENTATIONS OF ACCOUNT OWNER AND THOSE ACTING ON BEHALF OF ACCOUNT OWNER

Account Owner is at least 18 years old and of sound mind. Account Owner will notify Legg Mason immediately if Account Owner is or becomes (i) a member of an exchange, (ii) employed by an exchange, a registered broker/dealer, a bank, a trust company, or an insurance company or (iii) a FINRA member firm. Account Owner accepts full responsibility for any transactions Account Owner orders for his or her account.

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### 4 SCOPE OF, AND CHANGES TO, THIS IMPORTANT ACCOUNT INFORMATION

The agreement will not be affected by Account Owner's incompetence, disability, incapacity, or death and is binding on Account Owner, Account Owner's estate, and those with the authority to act on Account Owner's behalf. It is also binding on any organization that may succeed Legg Mason's interest in Account Owner's account. Legg Mason may unilaterally amend this Agreement or close Account Owner's account at any time.

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### 5 TYPE OF OWNERSHIP

If there is more than one Account Owner, the following types of account ownership are permitted:

**Tenants in Common** — If an Account Owner dies, the interests in the account as of the close of business on the date of death will be divided as specified by the client. If the death does not occur on a business day, the following business day will be used.

**Joint Tenants with Rights of Survivorship** — If an Account Owner dies, all interests in the account will pass to the survivor(s). The survivor's and the deceased's estates will be responsible for any liabilities in the account.

**Tenants by the Entirety** — This type of ownership is only permitted in certain jurisdictions and only if the Account Owners are husband and wife. If an Account Owner dies, all interests in the account will pass to the survivor, and the survivor will be responsible for any liabilities in the account.

If the account is jointly owned, then (i) each Account Owner agrees to be jointly and severally liable for all obligations under this application; (ii) each Account Owner shall have the authority to buy, sell and otherwise deal in money and fund shares on behalf of the account; and (iii) each Account Owner shall have the authority to request and receive money and fund shares from the account. Legg Mason may follow the instructions of any single Account Owner and is under no obligation to inquire into the purpose or propriety of any instructions.

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### 6 RESPONSIBILITY FOR REVIEWING DOCUMENTS PROMPTLY

Account Owner agrees to review promptly upon receipt all confirmations, statements, and reports that Legg Mason sends to the Account Owner. Account Owner will immediately notify Shareholder Services (i) of any material change in the Account Owner's investment objectives, (ii) of any discrepancy or unauthorized activity, or (iii) if the Account Owner has not received fund shares delivered or checks disbursed as reported to Account Owner on account statements. Legg Mason may consider all confirmations, statements, and reports to have been fully accepted by Account Owner as correct and conclusive unless Account Owner notifies Shareholder Services of any discrepancies within 10 days of receipt. Account Owner understands that due to the volatile nature of the financial markets, Account Owner is solely responsible for any loss that results from any failure to notify a Shareholder Services Representative of any discrepancy or unauthorized activity within the time periods stated in this paragraph.

Account Owner will receive a monthly statement summarizing the transactions that occurred during the month. If no transactions occur during a month, the Account Owner will not receive a statement for that month, but will receive a statement, at minimum, quarterly. If Account Owner participates in a Future First® Systematic Investment Plan, Account Owner will not receive a confirmation for each transaction.

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## 7 COMMUNICATIONS WITH LEGG MASON

Legg Mason will send all communications to Account Owner at the mailing address supplied by the Account Owner. Account Owner will notify Legg Mason in writing if there is any change to that address. Account Owner will send all communications to Legg Mason at the following address: Legg Mason Funds, P.O. Box 9969, Providence, RI 02940-9699.

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## 8 IMPORTANT NOTE REGARDING PURCHASE, EXCHANGE AND REDEMPTIONS ORDERS

Account Owner understands that purchase, redemption or exchange orders received by Legg Mason before the close of regular trading on the New York Stock Exchange, normally 4:00 pm (EST), will be processed at the fund's net asset value as of the close of the exchange on that day. Orders received after the close of the exchange will be processed at the fund's net asset value as of the close of the exchange on the next day the exchange is open.

The ability to enter TransACT purchase orders should become available one week after Legg Mason's receipt of this application. Telephone redemption orders should become available after the investment check used to fund the account has cleared. A voided, imprinted check or bank deposit slip from your bank account must be provided in order to establish telephone purchase and/or redemption orders. Telephone redemption is available for non-fiduciary accounts only.

By electing to receive redemption proceeds electronically, Account Owner authorizes BNY Mellon Investment Servicing Trust Company to initiate credits and debits to the account at the financial institution indicated. Account Owner further authorizes the bank to accept any such credit or debit entries initiated and to credit or debit the account, without responsibility for the correctness thereof or for the existence of any further authorization relating thereto, through the ACH (Automated Clearing House) system, subject to the rules of the financial institution, ACH, Legg Mason and BNY Mellon Investment Servicing Trust Company. If necessary, Account Owner authorizes BNY Mellon Investment Servicing Trust Company to initiate adjustments for any debit or credit entries made to the account in error and further authorizes the bank to accept said adjustments to the account. This authorization is in full force and effect until Account Owner notifies Legg Mason of its revocation in writing. Any such notification shall be effective only with respect to entries initiated after receipt of such notification and only after Legg Mason has had sufficient time to act on such notification.

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## 9 PERMISSIBLE INVESTMENTS

Any amounts held in the account may only be invested in Legg Mason Funds. Any contributions and transfers, as well as interest, dividends and other income, shall be invested and reinvested in shares of Legg Mason Funds as directed by the Account Owner (or any applicable successor) in accordance with the policies and procedures of Legg Mason and the current fund prospectus.

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## 10 IMPORTANT NOTE REGARDING FUTURE FIRST® SYSTEMATIC INVESTMENT PLANS

Account Owner understands that Future First® is a systematic plan through which Account Owner may purchase shares at the applicable public offering price. The commissions or charges payable in connection with the purchase of fund shares are set forth in each fund's prospectus. Account Owner understands that this service becomes available approximately one week after this form is processed. If Account Owner makes any changes in bank information, Account Owner understands that transactions may not begin until one week after the new bank information is received by Legg Mason. Account Owner understands that Future First® purchases will be affected by BNY Mellon Investment Servicing Trust Company initiating debit entries to Account Owner's bank account indicated above. Account Owner authorizes Account Owner's bank to accept any debit entries initiated by BNY Mellon Investment Servicing Trust Company to such account and to debit and credit the same account without responsibility for the correctness thereof or for the existence of any further authorization relating thereto.

Account Owner understands that this arrangement may be terminated or changed (e.g., the amount or date of purchase) at any time by verbal or written notification to Shareholder Services at 1-800-822-5544, that such notification shall be effective only with respect to entries initiated by Legg Mason after receipt of such notification, and that a requested change or termination will commence as soon as practical after receipt of this form. **If Account Owner has selected the Future First® plan, it will remain active so long as the fund account has a positive balance. If the Legg Mason account receiving the investment reaches a zero balance, the plan will cease. If Account Owner chooses to continue the plan, Account Owner will call Shareholder Services at 1-800-822-5544.**

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## 11 IMPORTANT NOTE REGARDING ACCOUNT SERVICE OPTIONS

Account service options will remain active so long as the fund account has a positive balance. If Account Owner would like to make changes or cancel any service, the Account Owner will call or notify Shareholder Services in writing.

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## 12 ACCUMULATION PRIVILEGE (CLASS A SHARES ONLY)

The Legg Mason Funds Accumulation Privilege lets investors combine the current value of Class A shares of a Legg Mason Fund with all other shares of Legg Mason Funds that are owned by:

- the investor; or
- the investor's spouse and children under the age of 21; with the dollar amount of the investor's next purchase of Class A shares for purposes of calculating the investor's initial sales charge. In order to take advantage of reductions in sales charges that may be available to you when you purchase fund shares, you must inform the fund if there are other accounts in which there are holdings eligible to be aggregated with your purchase. To do so, you must complete the appropriate section of the account application and sign in the signature/certification section.

IMPORTANT: EACH PURCHASE OF SHARES MADE PURSUANT TO THIS ACCUMULATION PRIVILEGE IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE PROSPECTUS OF THE RELEVANT FUND IN EFFECT AT THE TIME OF THE SPECIFIC PURCHASE.

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## 13 LETTER OF INTENT PRIVILEGE (CLASS A SHARES ONLY)

a. General. A Letter of Intent ("Letter") helps you take advantage of breakpoints in Class A sales charges. You may purchase Class A shares of Legg Mason Funds over a 13-month period and pay the same sales charge, if any, as if all shares had been purchased at once. You select your Asset Level Goal by checking the appropriate box on the Application.

Each time you make a purchase under this Letter, you will be entitled to the sales charge that is applicable to the amount of your Asset Level Goal. For example, if your Asset Level Goal is \$100,000, any Class A investments you make under this Letter would be subject to the sales charge of the specific fund you are investing in for purchases of \$100,000. Sales charges and breakpoints vary among the Legg Mason Funds.

By completing the appropriate portion of the Application and signing in the signature/certification section, you agree to all of the terms and conditions set forth in this Letter and the applicable fund(s) prospectus and Statement of Additional Information. You agree that in order to qualify for a reduced sales charge you intend, but are under no obligation, to purchase in Eligible Accounts over a 13 month period Eligible Fund Purchases in an amount equal to your Asset Level Goal, less any Eligible Prior Purchases. For this purpose, shares are valued at the public offering price (including any sales charge paid) calculated as of the date of purchase, plus any appreciation in the value of the shares as of the date of calculation, except for Eligible Prior Purchases, which are valued at current value as of the date of calculation. Your commitment will be met if at any time during the 13-month period the value, as so determined, of eligible holdings is at least equal to your Asset Level Goal. All reinvested dividends and distributions on shares acquired under this Letter will be credited toward your Asset Level Goal. You may include any Eligible Fund Purchases toward the Letter, including shares of classes other than Class A shares. However, this Letter of Intent will not entitle you to a reduction in the sales charge payable on any shares other than Class A shares, and if the shares are subject to a deferred sales charge, you will still be subject to that deferred sales charge with respect to those shares. Please note that shares redeemed or sold prior to reaching your Asset Level Goal will not be counted toward meeting your Goal.

IMPORTANT: IT IS NECESSARY TO MAKE REFERENCE TO THIS LETTER OF INTENT EACH TIME YOU PURCHASE SHARES OF A LEGG MASON FUND. PLEASE KEEP A COPY OF THE COMPLETED APPLICATION FOR YOUR RECORDS.

b. Eligible Fund Purchases. Generally, any shares of a Legg Mason Fund may be credited toward your Asset Level Goal. Shares of certain money market funds advised by the fund's manager or its affiliates (except for money market fund shares acquired by exchange from other Legg Mason Funds) are not eligible. This list may change from time to time. Please check with your Financial Advisor or a current prospectus to see which funds may be eligible. The "Letter of Intent" section in the prospectus of the relevant Legg Mason Fund contains additional details.

c. Eligible Accounts. Purchases may be made through any account in your name, or in the name of your spouse or your children under the age of 21. If any of the assets to be credited toward your goal are held in an account other than in your name, you may be required to provide documentation with respect to these accounts. Accounts held with a financial advisor are generally eligible, but you will be required to provide certain documentation, such as account statements, in order to include these assets.

d. Eligible Prior Purchases. You may also credit toward your Asset Level Goal any Eligible Fund Purchases made in Eligible Accounts at any time prior to entering into this Letter that have not been sold or redeemed, based on the current price of those shares as of the date of calculation. Because the fund may not have access to information concerning all of the accounts in which your Eligible Prior Purchases may be held, to ensure that you receive credit towards your Asset Level Goal you must inform the fund or your Financial Advisor at the time you enter into this Letter about any other Eligible Prior Purchases that should be credited by completing the applicable section in the Application.

- e. Increasing the Amount of the Letter. You may at any time increase your Asset Level Goal by contacting the transfer agent of the funds or your financial advisor. Upon such an increase, you will be credited by way of additional shares at the then current offering price for the difference between (a) the aggregate sales charges actually paid for shares already purchased under this Letter and (b) the aggregate applicable sales charges for the increased Asset Level Goal. However, you must contact the transfer agent or your financial advisor before purchasing shares in excess of the amount indicated on the Application, as no retroactive adjustments can be made. The 13-month period during which the Asset Level Goal must be achieved will remain unchanged.
- f. Sales and Exchanges. Shares acquired pursuant to this Letter, other than Escrowed Shares as defined below, may be redeemed or exchanged at any time, although any shares that are redeemed prior to meeting your Asset Level Goal will no longer count toward meeting your Goal. Complete liquidation prior to meeting your Asset Level Goal of purchases made under this Letter, however, will result in the cancellation of this Letter. See “Failure to Meet Asset Level Goal” below. Exchanges in accordance with a fund’s prospectus are permitted, and shares so exchanged will continue to count toward your Asset Level Goal, as long as the exchange results in an Eligible Fund Purchase.
- g. Cancellation of Letter. You may cancel this Letter by notifying the transfer agent or your financial advisor in writing, or the Letter will be automatically cancelled if all shares are sold or redeemed as set forth above. See “Failure to Meet Asset Level Goal” below.
- h. Escrowed Shares. Shares equal in value to five percent (5%) of your Asset Level Goal, as of the date this Letter is accepted (or the date any increasing the amount of the Letter is accepted), will be held in escrow during the term of this Letter (the “Escrowed Shares”). You hereby acknowledge and understand that you have authorized the Escrowed Shares to be held in this manner by completing this portion of the Application and signing below. The Escrowed Shares will be included in the total shares owned as reflected in your account statement and any dividends and capital gains distributions applicable to the Escrowed Shares will be credited to your account and counted toward your Asset Level Goal or paid in cash upon request. The Escrowed Shares will be released from escrow if all the terms of this Letter are met.
- i. Failure to Meet Asset Level Goal. If the total assets under this Letter within its 13-month term are less than your Asset Level Goal or you elect to liquidate all of your holdings or cancel this Letter before reaching your Asset Level Goal, you will be liable for the difference between (a) the sales charge actually paid and (b) the sales charge that would have applied if you had not entered into this Letter. You may, however, be entitled to any breakpoints that would have been available to you under the accumulation privilege. An appropriate number of shares in your account will be redeemed to realize the amount due. For these purposes, by completing this portion of the Application and signing it, you irrevocably constitute and appoint the transfer agent of the Legg Mason Funds, or any successor as your attorney-in-fact for the purposes of holding the Escrow Shares and surrendering shares in your account for redemption. If there are insufficient assets in your account, you will be liable for the difference. Any Escrowed Shares remaining after such redemption will be released to your account.

**IMPORTANT: EACH PURCHASE OF SHARES MADE PURSUANT TO THIS LETTER IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE PROSPECTUS OF THE RELEVANT FUND IN EFFECT AT THE TIME OF THE SPECIFIC PURCHASE.**

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## **14 CONSENT TO ARBITRATE**

This agreement contains a predispute arbitration clause. By signing an arbitration agreement, you and Legg Mason (“the parties”) agree as follows:

- All parties to this arbitration 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 the claim is filed.
- Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award.
- The panel of arbitrators typically will include a minority of arbitrators who were or are affiliated with the securities industry.
- 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.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

**Client agrees that all controversies that may arise between the Client and Legg Mason concerning any transaction or the construction, performance, or breach of this agreement, or any other agreement between the Client and Legg Mason, pertaining to securities and other property, whether entered into prior, on, or subsequent to the date hereof, shall be determined by arbitration.**



Any arbitration under this agreement shall be conducted exclusively through the arbitration facilities provided by the Financial Industry Regulatory Authority or the Municipal Securities Rulemaking Board, in accordance with the rules of the selected organization then in effect.

The award of the arbitrators, or of the majority of them, shall be final, and judgment upon award rendered may be entered in any court – state or federal – having jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action, until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the Client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

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## 15 BUSINESS CONTINUITY PLAN

Legg Mason maintains a Business Continuity Plan (“BCP”) that provides a course of action for the assessment of a significant disruption to Legg Mason business and for the continuation of Legg Mason business following such an event. The BCP consists of firmwide and departmental disaster recovery plans and includes the formation of a Legg Mason Incident Management Team (“IMT”).

The IMT would serve as the central source of coordination and communication in the event of a significant disruption to our business. During such an event, the IMT would first ensure the health and safety of our employees, and would then oversee the re-establishment and continuation of business processes pursuant to the BCP. The IMT is responsible for evaluating the disruption, instituting the appropriate plan of action, and coordinating recovery efforts.

The BCP is designed to address significant business disruptions of varying scope, including, but not limited to:

- Legg Mason-only business disruption;
- disruption to a single building in which Legg Mason business is conducted;
- disruption to a business district in which Legg Mason business is conducted;
- citywide business disruption;
- regional disruption; and
- national disruption.

In each of these scenarios, Legg Mason’s BCP provides for an evaluation of the scope of the business disruption, and sets forth various plans of action and recovery facilities for the continuation of Legg Mason’s business, as well as alternative means for the dissemination of information to employees and clients. The BCP serves as a guide that addresses how Legg Mason will continue to conduct business during each of the above scenarios, to the extent that is possible pursuant to the IMT’s evaluation. It is Legg Mason’s intention to minimize the recovery time necessary to resume operations.

Legg Mason conducts regular testing of the recovery of its backup facilities and systems in order to ensure that clients will be able to access their funds and securities within a reasonable time period following the significant business disruption. Clients should be assured that they will have prompt access to their cash and fund shares through Legg Mason’s backup systems. The BCP is subject to modification based on changing circumstances and assessment of need.

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## 16 ACCOUNT PROTECTION/ACCOUNT ACCESS

Account Owners should take the following steps to maintain the security of their accounts:

- Account Owners should make checks payable to “Legg Mason Funds” when depositing funds into their fund accounts. Checks should not be made payable to other parties or an individual.
- Account Owners should review their account statement(s) regularly to verify deposits, withdrawals and transactions in their account(s).
- Account Owners should review trade confirmations on a timely basis to verify accuracy of transactions in their account(s).
- Regarding the Account Access system, Account Owners agree to never share their User IDs, passwords, or PINs (collectively, “Access Codes”) with anyone and should change their passwords regularly to ensure security. Account Owner accepts responsibility for all requests entered through and under such Access Codes, and understands and agrees that any instructions communicated to Legg Mason through the system will be considered sent by the Account Owner. Account Owner hereby ratifies any instructions communicated via the System for their account, and agrees that Legg Mason will not be liable for any cost, loss or expense for acting upon any such instructions.
- Any discrepancies discovered by an Account Owner should immediately be reported to Shareholder Services at 1-800-822-5544.

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## 17 TAX REPORTING

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requires financial institutions to report the amount of the proceeds of securities sales in an Account Owner's account to the Internal Revenue Service (IRS). Accordingly, at the end of each year, Legg Mason will provide Account Owners and the IRS with information detailing reportable transactions.

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## 18 FINANCIAL STATEMENT

Legg Mason's financial statement is available upon request or online at [www.leggmason.com](http://www.leggmason.com).

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## 19 BROKER CHECK

Investors are reminded that FINRA offers BrokerCheck, a tool to help investors check the background of Investment Professionals and Firms. Investors can call the Broker/Check Hotline Number: 1-800-289-9999 or go online [www.finra.org/brokercheck](http://www.finra.org/brokercheck). FINRA also offers an investor brochure which describes FINRA BrokerCheck.

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## CONTACT INFORMATION (INCLUDING CUSTOMER COMPLAINTS)

<b>Mail:</b>	<b>Postal address</b> Legg Mason Funds P.O. Box 9699 Providence, RI 02940-9699	<b>Overnight carrier address</b> Legg Mason Funds 4400 Computer Drive Westborough, MA 01581
<b>Phone:</b>	To speak with an investment professional regarding any of our funds, please call toll-free: 1-800-822-5544, Monday through Friday, 8:00 am – 5:30 pm (ET)	
<b>Fax:</b>	1-508-599-4186	
<b>TeleFund:</b>	To access our telephone account management service, please call toll-free: 1-877-6LMFUNDS (1-877-656-3863)	
<b>Internet:</b>	<a href="http://www.leggmasonfunds.com">www.leggmasonfunds.com</a>	



## **BNY MELLON INVESTMENT SERVICING TRUST COMPANY**

### **Supplement to the SIMPLE Individual Retirement Account (SIMPLE IRA) Disclosure Statement**

#### **2017 SIMPLE IRA CONTRIBUTION LIMITS:**

The maximum allowable contribution to your SIMPLE IRA for tax year 2017 is 100% of your salary up to \$12,500 as deferred compensation. This limit is in addition to your employer's matching or non-elective contributions. In the case of an eligible employee who will be age 50 or older before the end of the calendar year, the above limitation is \$15,500 for 2017. For tax years after 2017, the above limits may be subject to Internal Revenue Service ("IRS") cost-of-living adjustments, if any. Please read the SIMPLE Individual Retirement Account Disclosure Statement carefully or consult IRS Publications 560 or 590 or consult a professional tax advisor for more information about eligibility requirements and contribution restrictions.

#### **LATE ROLLOVER CONTRIBUTIONS:**

The Internal Revenue Service (IRS) will permit you to deposit a late rollover contribution (exceeding the 60-day time limit), if you meet certain qualifications. All late rollover contribution deposits must be accompanied by a late rollover self-certification form. It is important to know that self-certification does not constitute an automatic waiver of the 60-day time limit. The IRS may, during the course of an examination, determine that your contribution does not meet the requirements for a waiver. If it is determined that you do not meet the requirements you could be subject to additional income, income taxes and penalties. The IRA custodian is required to report all late rollover contribution deposits on IRS Form 5498. For more information and a list of qualifying events please visit the Internal Revenue Service's web site [www.irs.gov](http://www.irs.gov) using the search term "Revenue Procedure 2016-47".

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**LEGG MASON**  
GLOBAL ASSET MANAGEMENT

**LEGG MASON FUNDS**

**SIMPLE IRA**

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References to the "Custodian" mean BNY Mellon Investment Servicing Trust Company.

## SIMPLE INDIVIDUAL RETIREMENT ACCOUNT (IRA) DISCLOSURE STATEMENT

The following information is the disclosure statement required by federal tax regulations. You should read this Disclosure Statement, the Custodial Account Agreement and prospectuses for the mutual funds in which your Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account ("SIMPLE IRA") contributions will be invested. The rules governing IRAs are subject to change. You should consult Internal Revenue Service ("IRS") Publications 560 and 590 or the IRS web site [www.irs.gov](http://www.irs.gov) for updated rules and requirements.

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### IMPORTANT INFORMATION ABOUT U.S. GOVERNMENT REQUIREMENTS THAT MAY AFFECT YOUR ACCOUNT

BNY Mellon Investment Servicing Trust Company ("BNY Mellon", "we", or "us"), provides custodial and administrative services for your retirement or savings account. As a result of this role, persons who open a retirement or savings account are considered 'customers' of BNY Mellon ("you" or "your").

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires BNY Mellon, as a financial institution, to obtain, verify, and record information that identifies each person who opens an account. All accounts we open are opened on a conditional basis – conditioned on our ability to verify your identity in accordance with Federal law.

When establishing an account, you are required to provide your full legal name, address, government issued identification number (e.g. social security number), date of birth, and other information within your account-opening application that will allow us to identify you. We may also request a copy of your driver's license or other identifying documents and may consult third-party databases to help verify your identity. If the account you are opening will be registered in the name of a beneficiary, trust, or estate or charity, we may require additional identifying documentation.

**If you fail to provide any requested identifying information or documentation when opening your account, your new account application may be rejected.**

**If we open your account, and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by U.S. Government regulations, we reserve the right to take any one or more of the following actions:**

- We may place restrictions on your account which block all purchase transactions and we may place additional restrictions on your account blocking other transactional activities if we determine such additional restrictions are appropriate under Federal law or regulation.
- We may close your account, sell (i.e., "liquidate") the assets in your account in the prevailing market at the time, and send you a check representing the cash proceeds of your account. This distribution will be reported to the Internal Revenue Service and may result in unfavorable consequences to you under Federal and state tax laws.

**You May Incur Losses.** Despite being opened as a conditional account, your account will be invested as you instruct and you will be subject to all market risks during the period between account opening and any liquidation necessitated by your failure to furnish requested identifying information or by an inability to adequately verify your identity. You may also be subject to additional market risks if the additional transactional restrictions discussed above are placed on your account. In addition, the closing of your account may subject you to fees and charges imposed by a sponsor, issuer, depository or other person or entity associated with one or more of the assets in which you are invested, and any sales charges you may have paid in connection with your purchases will not be refunded.

**You Assume All Responsibility For These Losses.** BNY Mellon expressly disclaims any responsibility or liability for losses you incur as a result of your failure to furnish identification materials we request, including investment losses and any other loss or damage (including but not limited to lost opportunities and adverse tax consequences). If you proceed with the account opening process, you accept all risks of loss resulting from any failure of yours to furnish the identification materials we request or from a subsequent inability to adequately verify your identity in accordance with Federal law or regulation.

### STATE UNCLAIMED PROPERTY LAW DISCLOSURE

The assets in your custodial account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by the particular state law, your assets must be transferred to the appropriate state. We are required by law to advise you that your assets may be transferred to an appropriate state in compliance with these state laws.

### REVOCAION OF YOUR SIMPLE IRA

You have the right to revoke your SIMPLE IRA and receive the entire amount of your initial investment by notifying the Custodian in writing within seven (7) days of establishing your SIMPLE IRA (account open date). If you revoke your SIMPLE IRA within seven days, you are entitled to a return of the entire amount contributed, without adjustment for such items as sales commissions, administrative expenses, or fluctuations in market value. If you decide to revoke your SIMPLE IRA, notice should be delivered or mailed to the address listed in the application instructions.

This notice should be signed by you and include the following:

1. The date.
2. A statement that you elect to revoke your SIMPLE IRA.
3. Your SIMPLE IRA account number.
4. The date your SIMPLE IRA was established.
5. Your signature and your name printed or typed.

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid, or with an IRS approved overnight service. This means that when you mail your notice, it must be postmarked on or before the seventh day after your SIMPLE IRA was opened. A revoked IRA will be reported to the IRS and the participant on IRS Forms 1099-R and 5498.

## **YOUR SIMPLE IRA ACCOUNT**

You have opened a SIMPLE IRA, which is an IRA for the exclusive benefit of you and your beneficiaries, created by a written instrument (the Custodial Account Agreement).

The following requirements apply to your SIMPLE IRA:

1. Contributions, transfers and rollovers may be made only in "cash" by check, draft, or other form acceptable to the Custodian.
2. The Custodian must be a bank, trust company, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
3. No part may be invested in life insurance contracts.
4. Your interest must be nonforfeitable.
5. The assets of the custodial account may not be mixed with other property except in a common investment fund.
6. You must begin receiving distributions from your account no later than April 1 of the year following the year in which you attain age 70½; and distributions must be completed over a period that is not longer than the joint life expectancy of you and your beneficiary.

## **CONTRIBUTIONS**

For 2014, the elective deferral contribution limit is \$12,000 or 100% of your salary, whichever is less. In the case of an eligible employee who will be age 50 or older before the end of the calendar year, the above limitation is \$14,500 for 2014. For tax years after 2014, the above limits may be subject to IRS cost-of-living adjustments, if any. Please read the SIMPLE Individual Retirement Account (IRA) Disclosure Statement carefully or consult IRS Publication 560 or a professional tax advisor for more information about eligibility requirements and contribution restrictions.

## **TAX TREATMENT OF CONTRIBUTIONS**

Salary reduction contributions to a SIMPLE IRA are excludable from federal income tax and are not subject to federal income tax withholding until distributed to you. Salary reduction contributions 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 Tax Act ("RRTA"), and should be reported accordingly by your employer on Form W-2, Wage and Tax Statement. Your employer's matching and non-elective contributions to your SIMPLE IRA are not subject to FICA, FUTA, or RRTA taxes, and are not required to be reported on Form W-2. Check with your professional tax advisor or the IRS website [www.irs.gov](http://www.irs.gov) for more information.

## **DESCRIPTION OF AVAILABLE OPTIONS FOR YOUR CONTRIBUTIONS**

The assets in your custodial account will be invested in accordance with instructions communicated by you (or following your death, by your beneficiary) or by your (or following your death, your beneficiary's) authorized agent. Account contributions may be invested in shares of one or more mutual funds made available to you in connection with this SIMPLE IRA account (the "Mutual Funds"), or in other investments that are eligible for investment under section 408(a) of the Internal Revenue Code and that are acceptable to the Custodian as investments under the SIMPLE Individual Retirement Account (IRA) Application and Adoption Agreement.

**Mutual Fund Option:** An investment in one or more Mutual Funds involves investment risks, including possible loss of principal. In addition, growth in the value of your Mutual Funds is neither guaranteed nor protected due to the characteristics of a mutual fund investment. Detailed information about the shares of each Mutual Fund available to you for investment of your SIMPLE IRA contributions must be furnished to you in the form of a prospectus. The method for computing and allocating annual earnings is set forth in the prospectus. (See the section of each prospectus entitled "Dividends.") The prospectus also sets forth the costs and expenses you incur by being invested in a particular Mutual Fund; such costs and expenses reduce any yield you might obtain from the Mutual Funds. (See the section of the prospectus entitled "Expense Table" and the sections referred to therein.) For further information regarding expenses, earnings, and distributions of a particular Mutual Fund, see that Mutual Fund's financial statements, prospectus and/or statement of additional information.

In Article VIII, Section 23 of the SIMPLE IRA RETIREMENT CUSTODIAL ACCOUNT AGREEMENT ("Section 23"), which constitutes an important part of this SIMPLE IRA APPLICATION and ADOPTION AGREEMENT, you authorize the Custodian to act in its discretion for your benefit in situations where assets in your custodial account are liquidated and the Custodian has not received instructions from you in a timely manner regarding the disposition of such proceeds or where the only instructions received from you cannot reasonably or practicably be carried out. For example, a Mutual Fund may take actions which result in that Mutual Fund, or in your investment in that Mutual Fund, being involuntarily liquidated. The Mutual Fund or the prospectus for that Mutual Fund may direct that the proceeds of the liquidation be placed in an asset not available to you under this SIMPLE IRA or provide solely that the cash or other property resulting from the liquidation be distributed directly to shareholders. If the Custodian does not receive timely instructions from you that it can reasonably and practicably carry out (for example, in-kind property distributed by the Mutual Fund may not be a permissible asset for a SIMPLE IRA), then in Section 23 you authorize the Custodian to exercise its discretion in acting on your behalf, including taking such actions as placing the proceeds in a money market mutual fund or an FDIC-insured bank account or money market account, distributing the proceeds to you or holding the proceeds uninvested. Other examples may exist involving different liquidation circumstances and different restrictions or limitations regarding the disposition of the proceeds. The Custodian expressly disclaims any liability for any action taken or omitted under the authority of Section 23, unless the Internal Revenue Code or regulations implementing the Internal Revenue Code require otherwise.

## **EXCESS DEFERRALS**

Important: Please consult with your employer to discuss the appropriate steps to correct excess contributions.

Amounts deferred to your SIMPLE IRA in excess of the allowable limit may be subject to a non-deductible excise tax of 6% for each year until the excess is removed. The 6% excise tax will not apply if the excess contribution and earnings allocable to it are distributed by April 15th of the year following the annual deferral. Amounts distributed after April 15<sup>th</sup> may incur additional adverse tax consequences. You should consult a professional tax advisor if distributing an excess after April 15th. Earnings will be removed with the excess contribution pursuant to Internal Revenue Code Section 408(d)(4) and IRS Publication 590. For the purpose of the excess contribution, we will calculate the net income attributable ("NIA") to the contribution using the method provided for in the IRS Final Regulations for Earnings Calculation for Returned or Recharacterized Contributions. This method calculates the NIA based on the actual earnings and losses of the SIMPLE IRA during the time it held the excess contribution. Please note that a negative NIA is permitted and, if applicable, will be deducted from the amount of the excess contribution. An IRS Form 1099-R will be issued in the year the distribution takes place. You must file IRS Form 5329 to report excise tax.

Consult a professional tax advisor, IRS Publications 560 and 590 or the IRS website [www.irs.gov](http://www.irs.gov) for more information pertaining to excess contributions.

## **IMPORTANT CHANGES TO THE RULES GOVERNING INDIRECT (60-DAY) ROLLOVERS**

Beginning January 1, 2015, there will be a new restriction placed on indirect (60-day) IRA-to-IRA rollovers. An IRA participant will be allowed only one rollover across all IRAs (Traditional, Rollover, Roth, SEP, SARSEP and SIMPLE IRAs) in aggregate that a taxpayer owns in any 12-month or 365-day period. As an alternative, a participant can make an unlimited number of trustee-to-trustee transfers where the proceeds are delivered directly to the receiving financial institution, successor custodian or trustee. You must contact the receiving institution to initiate a trustee-to-trustee transfer. For more information please visit the Internal Revenue Service's web site [www.irs.gov](http://www.irs.gov) using the search term "IRA One-Rollover-Per-Year Rule", "Announcement 2014-15" or "Announcement 2014-32".

## **TRANSFERS AND ROLLOVERS INTO YOUR SIMPLE IRA**

Transfers and rollovers can be made into your SIMPLE IRA if the monies are from another SIMPLE IRA. IRS regulations prohibit the transfer or rollover of other types of retirement assets into a SIMPLE IRA.

## **TRANSFERS AND ROLLOVERS BETWEEN SIMPLE IRAS**

In general, you may transfer the assets of one SIMPLE IRA to another SIMPLE IRA without tax consequences if you 1) transfer the assets by way of a direct trustee-to-trustee transfer, or 2) "rollover" a distribution from one SIMPLE IRA to another SIMPLE IRA. A nontaxable "rollover" occurs when you deposit money received from a SIMPLE IRA into another SIMPLE IRA within 60 calendar days. The IRS strictly enforces the 60-day time limit. If you rollover only a portion of a distribution, the portion that is not rolled over will be subject to taxation and applicable penalties, if any. [See "Important Changes to the Rules Governing Indirect (60-day) Rollovers" above.]

## **TRANSFERS AND ROLLOVERS INTO OTHER TYPES OF RETIREMENT ACCOUNTS - REQUIRED TWO YEAR HOLDING PERIOD**

Once you have participated in your employer's SIMPLE IRA Plan for two years, you may transfer or rollover the assets in your SIMPLE IRA to another SIMPLE IRA, or to a Traditional or SEP IRA or an employer plan without tax consequences by means of a direct trustee-to-trustee transfer or a 60-day rollover. Any transfer or rollover out of a SIMPLE IRA into another type of IRA or employer plan prior to satisfying the required two year holding period (two years from the date on which you first participated in a SIMPLE IRA maintained by your employer) is treated as a distribution from your SIMPLE IRA, which is subject to taxation and may be subject to early distribution penalties (see "Taxation of SIMPLE IRA Distributions" below).

## **TAXATION OF SIMPLE IRA DISTRIBUTIONS**

The income of your SIMPLE IRA is not taxed until the money is distributed to you. Distributions are taxable as ordinary income when received. A distribution received before you attain age 59½ is considered a premature distribution and is subject to a penalty tax equal to 10% of the distribution unless an exception applies (see "Early Distributions from a SIMPLE IRA" below). If the premature distribution is made prior to satisfying the required two year holding period (two years from the date on which you first participated in a SIMPLE IRA maintained by your employer) and no exception applies, then the penalty tax is increased to 25%.

## **EARLY DISTRIBUTIONS FROM A SIMPLE IRA**

Your receipt or use of any portion of your SIMPLE IRA before you attain age 59½ is considered an early or premature distribution. The distribution is subject to a penalty tax equal to 10% of the distribution (the penalty tax is increased to 25% if the distribution occurs prior to satisfying the required two year holding period) unless one of the following exceptions applies to the distribution:

1. due to your death, or
2. made because you are disabled, or
3. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or
4. used for health insurance cost due to your unemployment, or
5. used for higher education expenses defined in section 529(e)(3) of the Internal Revenue Code, or
6. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
7. part of a scheduled series of substantially equal periodic payments over your life, or over the joint life expectancy of you and a beneficiary. If you request a distribution in the form of a series of substantially equal periodic payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the penalty tax will apply retroactively to the year payments began through the year of such modification, or
8. required because of an IRS levy, or
9. the distribution is a Qualified Reservist Distribution.

The penalty tax is in addition to any federal income tax that is owed at the time of distribution. For more information on the penalty tax and the exceptions listed above, consult IRS Publications 560 and 590. If you are subject to a federal penalty tax due to a premature distribution, you must file IRS Form 5329.

## **REQUIRED DISTRIBUTIONS FROM A SIMPLE IRA**

You are required to begin receiving minimum distributions from your SIMPLE IRA by your required beginning date (April 1 of the year following the year you attain age 70½). The year you attain age 70½ is referred to as your "first distribution calendar year". Your required minimum distribution for each year, beginning with the calendar year you attain age 70½, is generally based upon the value of your account at the end of the prior year divided by the factor for your age (derived from the IRS Uniform Lifetime Distribution Period Table). This table assumes you have a designated spouse beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum distribution amount is the prior year end fair market value (value as of December 31<sup>st</sup>), adjusted for outstanding rollovers, transfers and recharacterizations (that relate to a conversion or failed conversion made in the prior year). You are responsible for notifying the Custodian of any outstanding amounts.

If the amount distributed during a taxable year is less than the minimum amount required to be distributed, you will be subject to a penalty tax equal to 50% of the difference between the amount distributed and the amount required to be distributed. You are responsible for monitoring this schedule from year to year to make sure that you are withdrawing the required minimum amount. If you are subject to a federal penalty tax due to a missed required minimum distribution, you must file IRS Form 5329.

However, no payment will be made from this SIMPLE IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary, as of the January 1<sup>st</sup> of the calendar year that contains your required beginning date, and such spouse is more than 10 years younger than you. The required minimum distribution for the second distribution calendar year and for each subsequent distribution calendar year must be made by December 31<sup>st</sup> of each such year. A SIMPLE IRA required minimum distribution election form is available from the Custodian.

### **BENEFICIARY DESIGNATIONS**

**Per Stirpes Beneficiary Designations:** The Custodian shall accept as complete and accurate all written instructions provided in good order by the estate/executor with regard to the identification of the beneficiaries and the allocations thereto.

In the event of your death, the balance of your custodial account shall be paid to the primary beneficiaries who survive you in equal shares (or in the specified shares, if indicated). If none of the primary beneficiaries survive you, the balance of your account shall be paid to the contingent beneficiaries who survive you in equal shares (or in the specified shares, if indicated). If you name multiple primary beneficiaries and a beneficiary does not survive you, such interest is terminated and that percentage will be divided proportionately among the remaining primary beneficiaries. Similarly, unless you have specified otherwise, if no primary beneficiary survives you and you have named multiple contingent beneficiaries and a beneficiary does not survive you, such interest is terminated and that percentage will be divided proportionately among the remaining contingent beneficiaries.

You may change your beneficiaries at any time by giving written notice to the Custodian. If you do not designate a beneficiary, or if all designated beneficiaries predecease you, your surviving spouse will become the beneficiary of your IRA. If you do not have a surviving spouse at the time of your death, your estate will become the beneficiary of your IRA. If a trust is designated as a beneficiary, you must provide both the date of the trust and the name(s) of the trustee(s).

### **SPOUSAL BENEFICIARY DESIGNATION IN THE EVENT OF DIVORCE**

In the event of a divorce or legal separation, the Custodian will not automatically remove the former spouse as the designated beneficiary without court appointment. If your life circumstances have changed, we suggest you submit an IRA Beneficiary Designation Form. The current beneficiary designation on file with the Custodian will be deemed valid and in full force until such date as the Custodian receives a signed IRA Beneficiary Designation Form, in good order.

### **SIMPLE IRA DISTRIBUTIONS DUE TO DEATH**

If, prior to your death, you have not started to take your required distributions and you properly designated a beneficiary(ies), the entire value of your SIMPLE IRA must be distributed to your beneficiaries within five years after your death, unless the designated beneficiary elects in writing, no later than September 30<sup>th</sup> of the year following the year in which you die, to take distributions over their life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31<sup>st</sup> of the calendar year you would have attained age 70½, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed no later than the December 31<sup>st</sup> of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your SIMPLE IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year.

If your spouse is your sole beneficiary, your spouse may elect to treat your SIMPLE IRA as their own SIMPLE IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your SIMPLE IRA as his or her own SIMPLE IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own SIMPLE IRA.

After your death, your designated beneficiary may name a subsequent beneficiary. Any subsequent beneficiaries must take distributions at least as frequently as the original designated beneficiary.

If you do not properly designate a beneficiary, or all designated beneficiaries have predeceased you, your spouse shall become the beneficiary or, if no surviving spouse or unmarried, the distribution will be made to your estate. Consult IRS Publication 590 for a complete discussion of rules governing distributions due to death.

### **CONVERTING TO A ROTH IRA**

You may also "convert" all or a portion of your SIMPLE IRA (after satisfying the required two year holding period) to a Roth IRA. You may not convert any portion of a required minimum distribution (RMD). A conversion is a type of distribution and is not tax-free. Distributions are taxable as ordinary income when received, except the amount of any distribution representing the return of non-deducted contributions is not taxed. The 10% penalty tax on early distributions does not apply to conversion amounts unless an amount attributable to a conversion is distributed from the Roth IRA prior to five years from the date of the conversion. Your SIMPLE IRA may be converted to a Roth IRA by means of an in-house direct transfer (within the same financial institution) or as a direct transfer between two different financial institutions.

A conversion is reported as a distribution from your SIMPLE IRA (IRS Form 1099-R) and a conversion contribution to your Roth IRA (IRS Form 5498). The rules regarding conversions to Roth IRAs are complex and you should consult a professional tax advisor prior to a conversion.

### **RECHARACTERIZATION OF A ROTH IRA CONVERSION (Correction Process)**

You may correct a conversion made in error by recharacterizing the conversion. A conversion is recharacterized by transferring the conversion amount plus allocable earnings back to a SIMPLE IRA. The correction must take place prior to the due date, including extensions, for filing your federal income tax return for the tax year in which the conversion was originally made. A recharacterized conversion may be converted back to a Roth IRA, however limitations may apply. Assets that have been recharacterized back to a SIMPLE IRA cannot be reconverted to a Roth IRA in the same tax year or within thirty days of the recharacterization. A recharacterized conversion is reported as a distribution from the Roth IRA (IRS Form 1099-R) and a recharacterization contribution to the SIMPLE IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a professional tax advisor prior to any recharacterization or reconversion. A recharacterization form is available from the Custodian and should be used for all recharacterization requests.



## **FEES AND CHARGES**

There is an annual custodial maintenance fee for your SIMPLE IRA account as set forth on the Application. The Custodian may also charge a service fee in connection with any distribution from your SIMPLE IRA.

## **QUALIFIED RESERVIST DISTRIBUTIONS**

Early distributions paid to certain military reservists called to active duty after September 11, 2001 ("Qualified Reservist Distributions") are eligible to be repaid to an IRA within a two-year period after the end of active duty. This provision applies to distributions made after September 11, 2001. Repayments cannot exceed the amount of your Qualified Reservist Distributions. Repayment cannot be made after the date that is two years after your active duty period ends. The repayments are not treated as rollovers. For additional information refer to IRS Publication 590 under the heading "Qualified reservist repayments."

## **PROHIBITED TRANSACTIONS**

If you or your beneficiary engages in any prohibited transaction as described in Internal Revenue Code Section 4975(c) (such as any sale, exchange, borrowing, or leasing of any property between you and your SIMPLE IRA; or any other interference with the independent status of the account), the account will lose its exemption from tax and be treated as having been distributed to you in the tax year in which you or your beneficiary engaged in the prohibited transaction. The distribution may also be subject to additional penalties including a possible penalty tax if you have not attained age 59½. See IRS Publication 590 for further instructions on calculating taxable gain, reporting amounts in income and prohibited transaction penalty taxes.

In addition, if you or your beneficiary use (pledge) all or any part of your SIMPLE IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you. Your distribution may also be subject to a penalty tax if you have not attained age 59½ during the year which you make such a pledge.

## **ESTATE TAX**

Amounts payable to your spouse, as your named beneficiary, may qualify for a marital tax deduction for federal estate tax purposes.

## **INCOME TAX WITHHOLDING**

The Custodian is required to withhold federal income tax from any distribution from your SIMPLE IRA to you at the rate of 10% unless you choose not to have tax withheld. You may elect out of withholding by advising the Custodian in writing, prior to the distribution, that you do not want tax withheld from the distribution. This election may be made on any distribution request form provided by the Custodian. If you do not elect out of tax withholding, you may direct the Custodian to withhold an additional amount of tax in excess of 10%.

State income tax withholding may also apply to distributions from your SIMPLE IRA when federal income tax is withheld. Please contact your tax advisor or state tax authority for information about your state's income tax withholding requirements.

## **ADDITIONAL INFORMATION**

Distributions under \$10 will not be reported on IRS Form 1099-R (as allowed under IRS regulations). However, you must still report these distributions to the IRS on your Form 1040 (as well as other forms that may be required to properly file your tax return).

For more detailed information, you may obtain IRS Publication 560-Retirement Plans for Small Business and IRS Publication 590-Individual Retirement Arrangements (IRAs) from any district office of the Internal Revenue Service or by calling 1-800-TAX-FORM. Any SIMPLE IRA transaction may have tax consequences; consult your professional tax advisor to obtain information about the tax consequences in connection with your particular circumstances.

## **IRS APPROVED FORM**

Your SIMPLE IRA is the Internal Revenue Service's model custodial account contained in IRS Form 5305-SA. Certain additions have been made in Article VIII of the form. By following this form, your SIMPLE IRA meets the requirements of the Internal Revenue Code. However, the IRS has not endorsed the merits of the investments allowed under the SIMPLE IRA. This form cannot be used with Coverdell ESAs, Roth, SEP, or Traditional IRAs.

**SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**  
**(Form 5305-SA March 2002)**

The participant is establishing a Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account ("SIMPLE IRA") under sections 408(a) and 408(p) of the Internal Revenue Code to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian has given the participant the disclosure statement required under Regulations section 1.408-6.

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The participant and the Custodian make the following agreement:

**ARTICLE I**

The Custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant. No other contributions will be accepted by the Custodian.

**ARTICLE II**

The participant's interest in the balance in the custodial account is nonforfeitable.

**ARTICLE III**

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**ARTICLE IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
  - (a) A single sum, or
  - (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.
3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the participant dies on or after the required beginning date and:
    - (i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) there is no designated beneficiary; the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.
  - (b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs), may satisfy the minimum distribution requirement described above, by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under 408(a)(6).

#### ARTICLE V

1. The participant agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.
3. The Custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

#### ARTICLE VI

Notwithstanding any other articles, which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with sections 408(a) and 408(p) and the related regulations will be invalid.

#### ARTICLE VII

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signature appears on the SIMPLE IRA Account Application and Adoption Agreement.

#### ARTICLE VIII

1. All funds in the custodial account (including earnings) shall be invested in assets permissible under the Code which have been designated by the Custodian as eligible for investment ("Eligible Assets") as directed by the participant in compliance with this Agreement. Eligible Assets will be purchased at the prices determined in accordance with the market applicable to particular Eligible Assets.
2. The Custodian may hold all Eligible Assets in accounts registered to the Custodian or its nominee. Participant shall be the beneficial owner of all Eligible Assets held in the custodial account notwithstanding such registration.
3. The participant shall, from time to time, direct the Custodian to invest funds received by the Custodian under this Agreement. Any funds received by the Custodian under this Agreement for which the Custodian does not receive investment directions may, at the sole discretion of the Custodian, be returned to the participant or held uninvested until direction is received from the participant, in either case without such funds being deemed contributed to the custodial account. The participant shall be the beneficial owner of all Eligible Assets held in the custodial account, and the Custodian shall not vote any such shares except upon written direction of the participant.
4. The Custodian agrees to forward, or to cause to be forwarded, to participant (i) the then-current prospectus, if any, applicable to each Eligible Asset held in the custodial account, and (ii) any notices, proxies and proxy soliciting materials received by it with respect to Eligible Assets held in the custodial account.
5. The participant shall have the right by written notice to the Custodian (i) to designate one or more beneficiaries to receive any benefit to which the participant may be entitled in the event of the participant's death prior to the complete distribution of such benefit, and (ii) to designate one or more beneficiaries in replacement of any previously designated beneficiaries. Any such notice will be deemed to be in effect when received in good order by the Custodian. If no such designation is in effect at the time of the participant's death, or if all designated beneficiaries have predeceased the participant, the participant's surviving spouse shall become the participant's beneficiary, or, if the participant does not have a surviving spouse at the time of death, the distribution will be made to the participant's estate.
6.
  - (a) The Custodian shall have the right to receive rollover contributions as described in Article I of this Agreement. The Custodian reserves the right to refuse to accept any property or contribution which is not in the form of cash.
  - (b) The Custodian, upon written direction of the participant and after submission to the Custodian of such documents as it may reasonably require, shall transfer the assets held under this Agreement (reduced by (1) any amounts referred to in paragraph 8 of this Article VIII and (2) any amounts required to be distributed during the calendar year of transfer) to a successor individual retirement account, to an individual retirement annuity for the Participant's benefit, or directly to the participant.

Any amounts received or transferred by the Custodian under this paragraph 6 shall be accompanied by such records and other documents as the Custodian deems necessary to establish the nature, value and extent of the assets and of the various interests therein.

7. Without in any way limiting the foregoing, the participant hereby irrevocably delegates to the Custodian the right and power to amend at any time and from time to time the terms and provisions of this Agreement and hereby consents to such amendments, provided they shall comply with all applicable provisions of the Code, the Treasury regulations thereunder and with any other governmental law, regulation or ruling. Any such amendments shall be effective when the notice of such amendments is mailed to the address of the participant indicated by the Custodian's records.
8. Any income taxes or other taxes of any kind whatsoever levied or assessed upon or in respect of the assets of the custodial account or the income arising there from, any transfer taxes incurred, all other administrative expenses incurred, specifically including but not limited to, administrative expenses incurred by the Custodian in the performance of its duties and fees for legal services rendered to the Custodian, and the Custodian's compensation may be paid by the participant and, unless so paid within such time period as the Custodian may establish, shall be paid from the participant's custodial account. The Custodian reserves the right to change or adjust its compensation upon 30 days advance notice to the participant.

9. The benefits provided hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized, except to such extent as may be required by law.
10. The Custodian may rely upon any statement by the participant (or the participant's beneficiary if the participant is deceased) when taking any action or determining any fact or question which may arise under this Agreement. The participant hereby agrees that neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with any Eligible Asset held at any time in the custodial account will be liable for any loss or expense resulting from any action taken or determination made in reliance on such statement. The participant assumes sole responsibility for assuring that contributions to the custodial account satisfy the limits specified in the appropriate provisions of the Code. The participant agrees that the participant will not direct the Custodian to engage in any prohibited transactions (as defined in Code section 4975) with respect to the Custodial Account.
11. The Custodian may resign at any time upon 30 days written notice to the participant and to the sponsor, issuer, depository or other person or entity primarily associated with each Eligible Asset held in the custodial account, and may be removed by the participant at any time upon 30 days written notice to the Custodian. Upon the resignation or removal of the Custodian, a successor Custodian shall be appointed within 30 days of such resignation notice and in the absence of such appointment, the Custodian shall appoint a successor unless the Agreement be sooner terminated. Any successor Custodian shall be a bank (as defined in section 408(n) of the Code) or such other person found qualified to act as a Custodian under an individual account plan by the Secretary of the Treasury or his delegate. The appointment of a successor Custodian shall be effective upon receipt by the Custodian of such successor's written acceptance, which shall be submitted to the Custodian, sponsor, issuer, depository or other person or entity primarily associated with each Eligible Asset held in the custodial account, and the participant. Within 30 days of the effective date of a successor Custodian's appointment, the Custodian shall transfer and deliver to the successor Custodian applicable account records and assets of the custodial account (reduced by any unpaid amounts referred to in paragraph 8 of this Article VIII). The successor Custodian (and any successor thereto) shall be subject to the provisions of this Agreement (or any successor thereto) on the effective date of its appointment.
12. The Custodian shall, from time to time, in accordance with instructions in writing or by means of recorded telephone conversation with the participant (or the participant's authorized agent, or the participant's beneficiary, if the participant is deceased), make distributions out of the custodial account to the participant in the manner and amounts as may be specified in such instructions (reduced by any amounts referred to in Article VIII, paragraph 8). A SIMPLE IRA Distribution Request Form is available from the Custodian, and may be obtained and used to request any distribution from your SIMPLE IRA. Notwithstanding the provisions of Article IV above, the Custodian assumes (and shall have) no responsibility to make any distribution from the custodial account unless and until such instructions specify the occasion for such distribution and the elected manner of distribution, except as set forth in the second part of this paragraph (12) below, with respect to age 70½ distributions.

Prior to making any such distribution from the custodial account, the Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian, but the Custodian shall not be liable for complying with any such instructions which appear on their face to be genuine, or for refusing to comply if not satisfied such instructions are genuine, and assumes no duty of further inquiry. Upon receipt of proper instructions as required above, the Custodian shall cause the assets of the custodial account to be distributed in cash and/or in kind, as specified in such instructions.

The participant may select a method of distribution under Article IV, paragraph 3, option (a) or (b) above. If the participant requests an age 70½ distribution by timely instruction but does not choose any of the methods of distribution described above by the April 1st following the calendar year in which he or she reaches age 70½, distribution to the participant will be made in accordance with Article IV, paragraph 2, option (b). If the participant does not request an age 70½ distribution from the custodial account by timely instruction, or does not specify the amount of the age 70½ distribution which the participant will be taking from another IRA(s), no distribution will be made; however calculation of the current year Required Minimum Distribution amount which cannot be rolled over to another IRA will be made in accordance with Article IV, paragraph 2, option (b).
13. Distribution of the assets of the custodial account shall be made in accordance with the provisions of Article IV as the participant (or the participant's beneficiary if the participant is deceased) shall elect by written instructions to the Custodian; subject, however, to the provisions of sections 401(a)(9), 408(a)(6) and 403(b)(10) of the Code, the regulations promulgated thereunder, Article VIII, paragraph 12 of this Agreement. The provisions of this paragraph (13) of Article VIII shall prevail over the provisions of Article IV to the extent the provisions of this paragraph (13) are permissible under proposed and/or final regulations promulgated by the Internal Revenue Service.
14. In the event any amounts remain in the custodial account after the death of the participant, the rights of the participant under this Agreement shall thereafter be exercised by his or her beneficiary.
15. The Custodian is authorized to hire agents (including any transfer agent for Eligible Assets) to perform certain duties under this Agreement.
16. This Agreement shall terminate coincident with the complete distribution of the assets of the participant's account.
17. All notices to be given by the Custodian to the participant shall be deemed to have been given when mailed to the address of the participant indicated by the Custodian's records.
18. Neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with any Eligible Asset held at any time in the custodial account shall be responsible for any losses, penalties or other consequences to the participant or any other person arising out of the making of, or the failure to make, any contribution or withdrawal.
19. In addition to the reports required by paragraph (2) of Article V, the Custodian shall periodically cause to be mailed to the participant in respect of each such period an account of all transactions affecting the custodial account during such period and a statement showing the custodial account as of the end of such period. If, within 30 days after such mailing, the participant has not given the Custodian written notice of any exception or objection thereto, the periodic accounting shall be deemed to have been approved and, in such case or upon the written approval of the participant, the Custodian, and the sponsor, issuer, depository or other person or entity primarily associated with each Eligible Asset held in the custodial account shall be released, relieved and discharged with respect to all matters and statements set forth in such accounting as though the account had been settled by judgment or decree of a court of competent jurisdiction.
20. In performing the duties conferred upon the Custodian by the participant hereunder, the Custodian shall act as the agent of the participant. The parties do not intend to confer any fiduciary duties on the Custodian and none shall be implied. Neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with Eligible Assets shall be liable (and neither assumes any responsibility) for the collection of contributions, the deductibility or the propriety of any contribution under this Agreement, the selection of any Eligible Asset for this custodial account, or the purpose or propriety of any distribution made in accordance with Article IV and Paragraph 12, 13 of Article VIII, which matters are the sole responsibility of the participant or the participant's beneficiary, as the case may be. The participant and the successors of the participant, including any beneficiary, executor or administrator,

shall, to the extent permitted by law, indemnify and hold the Custodian and any sponsor, issuer, depository or other person or entity associated with Eligible Assets and their affiliates, successors and assigns harmless from any and all claims, actions or liabilities, except such as may arise from such party's own bad faith, negligence, nonfeasance, or willful misconduct.

21. The Custodian shall be responsible solely for the performance of those duties expressly assigned to it in this Agreement and by operation of law. In determining the taxable amount of a distribution, the participant shall rely only on his or her federal tax records, and the Custodian shall withhold federal income tax from any distribution from the custodial account as if the total amount of the distribution is includible in the participant's income.
22. Except to the extent superseded by federal law, this Agreement shall be governed by, and construed, administered and enforced according to, the laws of the State of Delaware, and all contributions shall be deemed made in Delaware.
23. In the event any asset or property held in the custodial account (or any asset or property previously subject to the operation of this section and administered by the Custodian) is redeemed or liquidated, matures, or is otherwise converted to cash or other property (a "Liquidation") for any reason or under any circumstances and the Custodian does not receive timely instructions designating what it should do with the proceeds of such Liquidation (the "Proceeds") from any person lawfully entitled to give instructions with respect to the account, including without limitation the registered owner of the custodial account ("Owner") and successors and representatives of the Owner, including beneficiaries, heirs, executors, and administrators, or other proper persons or entities, or instructions are received but they cannot reasonably or practicably be carried out as given or are ambiguous or unclear, the Owner expressly directs and authorizes the Custodian to take "Any Reasonable Course Of Conduct". "Any Reasonable Course Of Conduct" is hereby defined to mean a course of conduct that the Custodian determines to be reasonable under the circumstances -- this course of conduct may include any one or more of the following, but it is not limited to the following: (i) depositing Proceeds in an FDIC-insured bank account or any other account, or using Proceeds to purchase shares of a money market mutual fund or any other asset or property, (ii) distributing Proceeds to persons the Custodian reasonably determines to be lawfully entitled to distributions from the account, (iii) holding Proceeds uninvested in a general account of the Custodian or other depository; and (iv) resigning as Custodian and engaging in a course of conduct, including any described in clauses (i) through (iii), outright and free of trust, if the Owner does not appoint a Custodian which immediately accepts transfer of all Proceeds, although nothing in this clause (iv) shall be interpreted to obligate the Custodian to resign before taking any course of conduct, including any described in clauses (i) through (iii).

In the event any agreement or understanding (other than this custodial account agreement) pursuant to which or in consideration of which the Custodian serves as custodian of the Account is terminated (and is not renewed or replaced) and a successor custodian does not take custody of the account in connection with or following such termination, the Custodian, after not less than 30 days notice to the Owner or such other persons as the Custodian reasonably determines to be entitled to give instructions with respect to the account, may (i) take Any Reasonable Course Of Conduct with respect to any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered by the Custodian, and (ii) may reset custodial fees charged to and owed by the account owner to the Custodian to an amount equal to the costs of maintaining the account.

The Custodian is authorized to pay or recover any costs and expenses associated with taking Any Reasonable Course of Conduct by utilizing the assets, property or Proceeds involved or by retaining a portion of such in a reserve and subsequently distributing any unused portion of the reserve. To offset administrative costs of the Custodian under any of the above described circumstances not otherwise recovered the Custodian shall be entitled to retain for its own account any incidental benefits earned in connection with taking Any Reasonable Course of Action, including "float", bank service credits or overnight investment earnings.

The Custodian shall not be liable for any action taken in reliance on this section, unless such liability is required by the Internal Revenue Code or regulations implementing the Internal Revenue Code, and the Owner expressly waives and releases the Custodian from all such liability. Without limiting the generality of the foregoing, in the event the Custodian makes a distribution from the account to the persons it reasonably determines to be entitled to account distributions, the owner and such persons shall bear sole responsibility for any taxes, fines, assessments penalties, levies, tariffs, or other liabilities or consequences of any nature arising or resulting from the distribution, including non-monetary liabilities or consequences, and for taking any actions following the distribution to avoid or mitigate any liabilities or consequences.

This section shall not be interpreted so as to impose any duty of any nature on the Custodian if any one or more of the events described in this section occurs, whether a duty to take or omit to take any act in particular, to place Proceeds in any particular asset or property, to take possession of Proceeds if possession is discretionary, to exercise discretionary investment authority over the account, or to distribute Proceeds to the Owner. For purposes of clarification, it is the intention of this section to provide the Custodian with the broadest possible discretion permitted by law, including the discretion to hold Proceeds uninvested.

The Owner authorizes the Custodian to escheat or otherwise remit to appropriate jurisdictions in accordance with applicable abandoned property or other laws any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered or held by the Custodian, and to the extent any of the foregoing consists of anything other than cash, the Custodian may escheat or remit the non-cash asset, property or Proceeds or the cash resulting from a liquidation of such non-cash asset, property or Proceeds.

The account owner acknowledges and accepts the risks of owning the account as described in this section, including the investment risks and tax consequences of the Custodian taking Any Reasonable Course Of Conduct.

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## GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code unless otherwise noted.

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## PURPOSE OF FORM

Form 5305-SA is a model custodial account agreement that meets the requirements of sections 408(a) and 408(p) and has been automatically approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the participant or his or her beneficiaries.

Do not file Form 5305-SA with the IRS. Instead, keep it for your records.

See IRS Publication 560, Retirement Plans for Small Business, or IRS Publication 590, Individual Retirement Arrangements (IRAs) for more information on IRAs, including the required disclosures the Custodian must give the Participant.

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**DEFINITIONS**

**Participant** - The participant is the person who establishes the custodial account.

**Custodian** - The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian.

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**TRANSFER SIMPLE IRA**

This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(l)(2) do not apply to transfer SIMPLE IRAs.

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**SPECIFIC INSTRUCTIONS**

**Article IV.** - Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the participant reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

**Article VIII.** - Article VIII and any that follow it may incorporate additional provisions that are agreed to by the participant and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the participant, etc. Use additional pages if necessary and attach them to this form.

FACTS	WHAT DOES <b>BNY MELLON INVESTMENT SERVICING TRUST COMPANY</b> DO WITH YOUR PERSONAL INFORMATION?
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Why?	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information.</p> <p>Please read this notice carefully to understand what we do.</p>
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number</li> <li>• Account balances</li> <li>• Transaction history</li> <li>• Account transactions</li> <li>• Retirement assets</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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How?	<p>All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons BNY Mellon Investment Servicing Trust Company chooses to share; and whether you can limit this sharing.</p>
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Reasons we can share your personal information	Does <b>BNY Mellon Investment Servicing Trust Company</b> share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	No	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	No
For our affiliates to market to you	No	No
For nonaffiliates to market to you	No	No

Questions?	Call 855-649-0623
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## Who we are

Who is providing this notice?	BNY Mellon Investment Servicing Trust Company, custodian for self-directed savings and retirement accounts, such as Individual Retirement Accounts, Qualified Plans and 403(b)(7) Plans, and for mutual fund Wrap Product and Global Cash Portal accounts
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## What we do

How does <b>BNY Mellon Investment Servicing Trust Company</b> protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does <b>BNY Mellon Investment Servicing Trust Company</b> collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account or deposit funds</li> <li>• Make deposits or withdrawals from your account</li> <li>• Provide account information</li> <li>• Give us your contact information</li> <li>• Show your government-issued ID</li> </ul> <p>We also collect your personal information from affiliates or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <b>BNY Mellon Investment Servicing Trust Company</b> does not share information with nonaffiliates so they can market to you.</li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <b>BNY Mellon Investment Servicing Trust Company</b> doesn't jointly market.</li> </ul>

## Other important information

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy, and may be amended at any time. We will keep you informed of changes or amendments as required by law.