

## ESIGN Member Consent to Use Electronic Signatures and Documents

THIS DISCLOSURE CONTAINS IMPORTANT INFORMATION THAT YOU ARE ENTITLED TO RECEIVE BEFORE YOU CONSENT TO RECEIVE ELECTRONIC DISCLOSURES REGARDING YOUR NFFG DIGITAL INVESTOR PROGRAM ACCOUNT AND TO ENGAGE IN ELECTRONIC TRANSACTIONS.

PLEASE SCROLL TO READ THE FULL DISCLOSURE.

PLEASE USE YOUR DEVICE FUNCTIONALITY TO RETAIN A COPY OF THIS DISCLOSURE FOR YOUR RECORDS.

We are required to provide disclosures, notices, statements, and other communications to you related to Navy Federal's digital products and services, and you have the right to receive this information on paper. Navy Federal may provide this information to you electronically or digitally only if we provide this ESIGN Member Consent to Use Electronic Signatures and Documents disclosure ("ESIGN Disclosure") to you and obtain your consent to receive electronic disclosures and to conduct transactions electronically.

### 1. Agreement to Receive Communications in Electronic Form

By agreeing to this ESIGN Disclosure, you agree that we may provide you with all Communications related to your account in electronic format. You further agree that we may discontinue sending paper Communications to you unless you withdraw your consent as described below. Your consent will remain in effect until you give us notice that you withdraw it. Even though you consent to receive information electronically, you can always obtain paper versions by request. We may charge you a reasonable fee for delivery of paper versions of information already provided electronically.

"Communications" may include any customer agreements or amendments thereto, disclosures, notices, responses to claims, transaction histories, statements related to the maintenance or operation of products or accounts, account reports prepared by NFIS, NFIS's annual Privacy Policy Notice, disclosures required under section 408(b)(2) of ERISA, and all other information related to the products or services, including, but not limited to, information that we are required by law or regulation to provide to you in writing.

### 2. Form of Electronic Communications

We will provide information to you in electronic form by (1) email, (2) SMS text message, (3) Online Banking, or (4) the application.

### 3. Withdrawal of Consent

If you decide that you do not want to continue receiving information related to your account electronically, you can withdraw your ESIGN Disclosure consent by calling Navy Federal Financial Group at 1-877-221-8108 or via the chat function. Withdrawal of your ESIGN Disclosure consent will be effective only after we have a reasonable amount of time to process the withdrawal. Please note that withdrawing your consent will result in termination of your account on the Digital Investor platform.

### 4. Updating Your Records

You agree to provide us with your valid email address and other contact information for purposes of receiving information related to your account. You can update your information through Digital Banking, by contacting us at 1-877-221-8108, or via the chat function on the Digital Investor webpage.

### 5. Hardware and Software Requirements

We do not endorse a specific operating system or particular web browser. To receive and view information electronically related to your account, you must have one or more of the following:

- a valid email address;
- a current version (defined below) of a web browser;
- a current version of our Navy Federal application (via the [App Store®](#) or Google [Play™](#));
- a connection to the internet;
- a current version of a program that reads and displays PDF documents, such as Adobe Acrobat Reader®<sup>2</sup>, for viewing and retaining certain disclosures;
- a printer, if you wish to print your disclosures and retain your records in paper;
- the capacity to store information; and
- an internet access device, such as a smartphone, tablet, computer desktop or laptop, with an operating system (Windows®, MacOS®, iOS, or Android™) capable of supporting the above.

By "current version," we mean a version of the software that is supported. We reserve the right to discontinue support of a current version of software for security or stability purposes. The following link includes more information on the operating systems and web browsers we currently support and related system requirements: [Software and Hardware Requirements](#). We may not support some older operating systems or web browsers, so if you are using an outdated version, you may need to update it. You should check the [Software and Hardware Requirements](#) page occasionally for updates on supported software. The Software and Hardware Requirements are available on the Browser Support page of [navyfederal.org](#).

From time to time, we may offer services or features that require that your web browser be configured in a particular way, such as permitting the use of JavaScript or cookies. If we detect that your web browser is not properly configured, we will provide you with a notice and advice on how to update your configuration.

### 7. Communications "in Writing"

All information provided to you in either electronic or paper format will be considered "in writing."

### 8. Termination/Changes

We may discontinue the provision of information electronically or terminate or change the terms and conditions under which we provide information electronically. We will provide you with notice of any such termination or change as required by law.

**By providing your consent, you are confirming that you have the hardware and software necessary to receive information electronically and that you have a valid email address.**

Adobe® is a registered trademark of Adobe Systems Incorporated in the United States and/or other countries.

# Navy Federal Investment Services, LLC (“NFIS”)

## A. General Customer Agreement – Updated October 2023

1. **MEANING OF WORDS IN THIS AGREEMENT AND DESCRIPTION OF PARTIES.** The words “you” and “your” refer to each customer who signs this agreement. The words “we”, “our”, or “us” refer to Navy Federal Investment Services, LLC (“NFIS”). NFIS is a wholly owned subsidiary of Navy Federal Financial Group, LLC (“NFFG”) and NFFG is a wholly owned subsidiary of Navy Federal Credit Union (“NFCU”).
2. **AUTHORITY AND OWNERSHIP.** By entering this agreement, you acknowledge that you have the required legal capacity, are authorized to enter into this agreement, and have obtained and will be provided all necessary authorizations from third parties or other necessary documents to open accounts and effect transactions in securities under this agreement. We have the right to refuse activity in your account until all necessary documentation is received. You understand that we may refuse to open an account for you or to price any transaction that you may wish to effect now or hereafter. You have read and agree to all terms and conditions in this Agreement and any other agreement presented to you as part of the account opening process or in connection with managing your account. You have truthfully and fully completed all the items in opening an account and using our services. You are opening an account for investment purposes and not to disable or disrupt our operations or to engage in any abusive, improper, or illegal activity and you agree not to take or engage in any such actions. You also understand that if you fail to abide by all terms and conditions applicable to your account, we, at our discretion, may close your account and remit to you any balances therein, or take any other action concerning your account that we consider reasonable. You will be the owner of all securities purchased, held, and sold through us.
3. **INVESTMENT RISK.** You understand these products are not insured by the National Credit Union Administration (NCUA) or federally insured otherwise. You understand that these products are not guaranteed by or obligations of NFCU, are not offered, recommended, sanctioned, or encouraged by the federal government, and may involve investment risk, including possible loss of principal. Products may be offered by an employee who serves both functions of accepting member deposits and selling nondeposit investment and insurance products. Additionally, your Account may involve the use of an electronic trading platform. Electronic trading poses unique risk to investors, as system response and access times may vary due to market conditions, system performance, and other factors. Market volatility, volume, and system availability may delay access to your Account and trade executions. We cannot guarantee that electronic trading systems will be accessible or function adequately to execute a trade in any particular security or at a particular time. Electronic trading capabilities may depend on services provided by various third parties, including your internet service provider, mobile phone carrier, and other providers of hardware and software that are needed to access your Account. We do not control the products or services provided by these third parties and we cannot guarantee they will operate adequately at all times.
4. **FORCE MAJEURE.** We shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, government restriction, exchange or market ruling, or other conditions beyond our control.
5. **RECORDING CONVERSATIONS.** For our mutual protection, you agree that any telephone conversation between or among us may be tape-recorded.
6. **CREDIT INVESTIGATION.** We may exchange credit information about you with others. We may request a credit report on you and, if you ask, we will tell you the name and address of the consumer reporting agency that furnished it. If we update, renew, or extend you credit, we may request a new credit report without notifying you.
7. **EXCHANGE OF INFORMATION.** You agree that NFCU, its affiliated entities, and/or we may, where permitted by law, request or exchange personal, financial, credit, or other confidential information regarding you with others in connection with the creation or operation of your brokerage account. We are not responsible for forwarding information to you concerning your account if such information is not readily accessible, including information concerning class actions or other issuer or transfer agent-related matters. Information concerning your account with us and information concerning the resolution of any dispute between you and us will be confidential. You agree to not disclose to any third party, other than regulatory or law enforcement

officials exercising appropriate jurisdiction, any confidential information. We are authorized to respond to any subpoena or court order requesting information related to your account. Additionally, we are authorized to respond to any request for information related to your account from regulatory or law enforcement officials exercising appropriate jurisdiction.

8. **CONFIDENTIALITY.** None of the information and data that you provide to the other Parties will be disclosed to any other nonrelated firm, person or entity without your prior consent, unless such disclosure is required and/or allowed by law. California residents may have additional rights under the California Consumer Protection Act (CCPA) regarding certain data collected under this agreement. Please see our [CCCPA notice](#) for additional information.

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

You will provide an accurate, government issued photo ID or other similar identification upon request.

9. **INDEBTEDNESS.** Upon the purchase or sale of any security, if we are unable to settle the transaction by reason of your failure to make payment or deliver securities in good form, you authorize us to take any steps necessary to complete or cancel the transaction to minimize your loss, including selling out of securities in your account. You will reimburse us for any and all costs, losses, or liabilities incurred by us in minimizing your loss, including any collection fees and attorney's fees. In the event that you become indebted to us in the operation of this account, you will repay the indebtedness upon demand. If you fail to pay the indebtedness, including any margin call, we may close your account and/or liquidate any assets in your account, or otherwise held by us, in an amount sufficient to pay your indebtedness. We shall have sole discretion to determine which assets shall be sold or which accounts closed to satisfy your indebtedness. You are responsible for all costs of collection and attorney's fees for any indebtedness, however incurred.
10. **RESTRICTED SECURITIES.** You will not buy or sell any securities of a corporation of which you are an affiliate, or sell any restricted securities, except in compliance with applicable laws and regulations. If you violate this pledge, you shall hold us harmless from any liability.
11. **ASSIGNMENT.** This Agreement will not be assignable by any party without the consent of the other Parties. Transfers upon the event of death of Client will not be considered an assignment.
12. **JOINT ACCOUNTS.** If this is a joint account, each of you shall have full authority to act individually on behalf of the joint account to buy, sell (including short sales), or otherwise deal through us as a broker in stocks, bonds, and other securities on margin or otherwise; to receive on behalf of the joint account demands, notices, confirmations, reports, statements of account, and communications of every kind; to receive on behalf of the joint account money, securities, and property of every kind and to dispose of the same; to make on behalf of the joint account agreements relating to any of the foregoing matters and to terminate or modify same or waive any of the provisions thereof; and generally to deal with us on behalf of the joint account as fully and completely as if one of you alone were interested in the account -- all without notice to the other or others interested in this account. **We are authorized to follow the instructions of any of you in every respect concerning this joint account with us and to make deliveries to any of you, or upon his/her sole instructions, of any or all securities in the joint account, and make payments to any of you, or upon his/her sole order, of any or all monies at any time or from time to time in the joint account as one of you may order and direct, even if such deliveries and/or payments shall be made to one of you personally, and not for the joint account.** If we deliver securities or pay money to or on the order of any of you, we shall be under no duty or obligation to inquire into the purpose or propriety of any such demand for delivery of securities or payment of monies, and yet shall not be bound to see to the application or disposition of the securities and/or monies so delivered or paid to any one of you. The authority hereby conferred shall remain in force until written notice of revocation from all interested parties is delivered and accepted at the main office of NFIS located in Vienna, VA.

Your liability with respect to this account shall be joint and several. You agree jointly and severally that all property we may at any time be holding or carrying for any one or more of you shall be subject to a lien in our favor for the discharge of the obligations of the account to us, such lien to be in addition to and not in substitution of the rights and remedies we otherwise would have. **You further agree to hold us completely harmless for action upon any order by any of you, or a distribution to any of you, or for any other act by us consistent with your individual and joint powers as stated in this section.** Until we have actual certified notice of death of either or any of you, any order given to us by one of you shall be binding upon the survivor or survivors and the estate of either or any of you who has died. The death of any of you shall not affect our right to take any action under this agreement. It is further agreed that in the event of the death of any of you, the survivor or survivors shall immediately give us written notice, including a certified copy of the death certificate. As soon as we are aware of the death of any of you, whether before or after proper notice,

we may take any steps or actions and impose any restrictions regarding the account that we believe necessary to protect yourself. The decedent's estate shall be liable, and each survivor shall continue to be liable jointly and severally, to us for any net debit balance or loss in the account in any way resulting from the completion of transactions initiated prior to the receipt by us of proper written notice of the death of the decedent or incurred in the liquidation of the account or the adjustment of the interests of the respective parties. We reserve the right to require written instructions from all account holders at our discretion.

13. **JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP.** If you have requested that this account be opened as a "Joint with Survivorship" account, the entire interest in the account shall be vested in the surviving tenant(s) on the same terms and conditions as theretofore held, without in any manner releasing the deceased or his/her estate from any liability arising under this agreement. Joint Investment Advisor accounts covered in Part B will be considered a joint account with rights of survivorship unless otherwise specified. See Part B subsection 5 for additional details on Joint Investment Advisor accounts.
14. **AMENDMENTS AND TERMINATION.** We may amend this agreement at any time, in any respect, without notice to you. We may, at our discretion, terminate this agreement at any time. You understand that if we choose to terminate this agreement for any reason, it will be your responsibility to accept delivery of any and all security positions in kind or in cash, or to arrange for the timely transfer of such positions. You will continue to be responsible for any obligation incurred by you prior to termination.
15. **GOVERNING LAW AND VENUE.** If a dispute between you and NFIS, arising out of this agreement, is not submitted to arbitration as provided in section 16, the dispute will be resolved before a competent forum in the Commonwealth of Virginia.
16. **CHANGE OF NAME.** The rights and obligations established by this agreement shall remain in full force and effect despite any subsequent change of name by you or us.
17. **ARBITRATION.** This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:
  - 1) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
  - 2) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
  - 3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
  - 4) The arbitrators do not have to explain the factual findings or reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
  - 5) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
  - 6) 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.
  - 7) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall govern the arbitration process.

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 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 customer 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.

**ARBITRATION CLAUSE: ACCOUNT HOLDER(S) AGREE(S) THAT ALL CLAIMS AND CONTROVERSIES, WHETHER SUCH CLAIMS OR CONTROVERSIES AROSE PRIOR, ON OR SUBSEQUENT TO THE DATE HEREOF BETWEEN THE ACCOUNT HOLDER(S) AND NFIS, AND/OR ANY OF ITS PRESENT OR FORMER OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES (COLLECTIVELY, THE "PARTIES") CONCERNING OR ARISING FROM (I) ANY CLIENT ACCOUNT WITH NFIS, (II) ANY TRANSACTION INVOLVING THE PARTIES WHETHER OR NOT SUCH TRANSACTION OCCURRED IN SUCH ACCOUNT OR ACCOUNTS, OR**

**(III) THE CONSTRUCTION, PERFORMANCE OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES, ANY DUTY ARISING FROM THE BUSINESS OF NFIS OR OTHERWISE SHALL BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH THE RULES THEN IN EFFECT OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY.**

18. **SECURITIES INVESTOR PROTECTION CORPORATION.** NFIS is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). SIPC protection applies if the brokerage firm fails. It does NOT protect your account against declines in value such as those that may result from changes in market conditions. An explanatory brochure on SIPC coverage is available upon request.
19. **APPLICABLE RULES AND REGULATIONS.** All transactions in your account shall be subject to the constitution, rules, regulations, customs, and uses of the exchange or market, and its clearinghouse. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Investment Advisers Act of 1940, as amended and to the rules and regulations of the Securities and Exchange Commission (SEC), the Board of Governors of the Federal Reserve System, and any applicable self-regulatory organization
20. **CUSTOMER'S RESPONSIBILITY REGARDING CERTAIN SECURITIES.** Certain securities may grant the holder thereof valuable rights that may expire unless the holder takes action. These securities include, but are not limited to, warrants, stock purchase rights, convertible securities, bonds, and securities subject to a tender or exchange offer. You are responsible for knowing the rights and terms of all securities in your account. NFIS is not obligated to notify you of any upcoming expiration or redemption dates, or to take any other action on your behalf, without specific instructions from you, except as required by law and applicable rules of regulatory authorities. However, if any such security is about to expire worthless or be redeemed for significantly less than its fair market value, and we have not received instructions from you, NFIS may, at its discretion, sell the security and credit your account with the proceeds. Similarly, you are responsible for knowing about reorganizations related to securities that you hold, including but not limited to stock, splits and reverse stock splits. NFIS is not obligated to notify you of any such reorganizations. If, due to a reorganization, you sell more shares of a security than you own, or if you become uncovered on an options position, or if you become otherwise exposed to risk requiring NFIS to take market action in your account, NFIS will not be responsible for any losses you incur.
21. **SEVERABILITY.** If any provision of this agreement is held to be invalid, void, or unenforceable by reason of any law, rule, administrative order, or judicial decision, such provision will be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement will not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement will be deemed to be severable.
22. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow NFIS to identify you. We may also ask to see your driver's license or other identifying documents. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you.
23. **PRIVACY.** You can obtain and read a copy of the Navy Federal Investment Services, LLC Privacy Notice(provided by Navy Federal Investment Services) by visiting [https://www.navyfederal.org/pdf/publications/NFCU\\_198\\_PrivacyPolicy.pdf](https://www.navyfederal.org/pdf/publications/NFCU_198_PrivacyPolicy.pdf)
24. **TRADING.** If we, in our sole discretion, determine that the trading activity in the account is excessive or violates applicable rules and regulations, we reserve the right to restrict trading in the account, close the account, and to pass trading costs onto you.
25. **FRACTIONAL SHARES.** You generally cannot transfer any partial (or fractional) share amount out of your account. If you want to transfer the securities in your account to another brokerage firm and the receiving firm does not accept partial shares, we will transfer your whole shares. Partial shares will be sold after we receive your complete transfer instructions. The money from these partial share sales will be deposited in your account and transferred according to the transfer instructions.

26. **PROHIBITED ACTS.** You have the obligation to protect yourself from the following Acts: You should not make payments to any entity other than NFIS' clearing firm; you should not pay cash or other cash equivalent; you should not obtain credit or otherwise borrow money to purchase securities.
27. **DAY TRADING.** We do not promote directly or indirectly "Day Trading." Our electronic trading services should not be construed as an endorsement or promotion of Day Trading. Day Trading can be very risky and is not appropriate for customers with limited resources, limited investment or trading experience, or a low risk tolerance. We reserve the right, in our sole discretion and without prior notice to you, to restrict, suspend, or close accounts identified by us as engaging in Day Trading.
28. **HIGH VOLUME TRADING.** If your account has one or a combination of trading strategies where the total number of securities traded exceeds specified thresholds, we may close your account, charge additional fees for each additional security order over the threshold or take other action to limit such trading. Any additional fee for such trading will be disclosed as part of a pricing plan -- please consult our websites, your Advisor or third-party brokerage firm regarding the related charges.
29. **CLIENT DEATH OR DISABILITY.** Client death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement by giving written notice to NFIS.
30. **COMPLAINTS.** You acknowledge that you may direct any complaints regarding the handling of your account to the NFIS Compliance Department at 1007 Electric Avenue, Vienna, VA 22180. NFIS will respond promptly to your concerns.
31. **INACTIVE ACCOUNTS AND ABANDONED PROPERTY.** Where the Account has not initiated any activity for an extended period designated by us and we have been unable to contact you after reasonable attempts, the Account may be designated as "abandoned" and/or "unclaimed." We may also instruct DriveWealth to close the Account. Thereafter, the Securities and Other Assets in the Account may be liquidated and transferred to us (for further distribution) or to the appropriate authority subject to the escheatment processes under Applicable Law. Fees may apply in order to ensure the continued safekeeping of the Account.
32. **NON-INVESTMENT ADVICE.** You acknowledge that we will not provide you with any legal, tax or accounting advice, that our employees are not authorized to give any such advice and that you will not solicit or rely upon any such advice from us or our employees whether in connection with transactions in or for any of your accounts or otherwise. In making legal, tax or accounting decisions with respect to transactions in or for your accounts or any other matter, you will consult with and rely upon your own advisors and not us, and we shall have no liability therefore.
33. **UPDATES TO INFORMATION.** You acknowledge that the information in this application is correct and complete. Should you have any changes to the provided information, you will contact NFIS.
34. **NOTICE.** Any notice or other communication required or permitted to be given pursuant to this Agreement will be deemed to have been duly given when delivered in person, or sent by telecopy or e-mail, sent by overnight courier, or three days after mailing by registered mail (postage prepaid). All notices or communications to NFIS should be sent to the main address of NFIS. All notices or communications to Client will be sent to the address last provided by Client.
35. **ENTIRE AGREEMENT.** This Agreement represents the entire understanding between the parties with regard to the matters specified herein. No other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter of this Agreement.
36. **NAVY FEDERAL INVESTMENT SERVICES, LLC BUSINESS CONTINUITY PLAN.** Navy Federal Investment Services has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our Business Continuity Plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do by going to our web site at [www.navyfederal.org/financial-group](http://www.navyfederal.org/financial-group) or you may contact us at our email address at: [NFFG.Compliance@navyfederal.org](mailto:NFFG.Compliance@navyfederal.org)

If you cannot access us through any of those means, you should contact our clearing firm, DriveWealth, at 97

Main Street, Chatham, NJ 07928; or email [support@drivewealth.com](mailto:support@drivewealth.com), for instructions on how it may process limited trade-related transactions, cash disbursements, and security transfers.

Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and



operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our Business Continuity Plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our Business Continuity Plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business. Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business. As the situation allows, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site [www.navyfederal.org/financial-group/](http://www.navyfederal.org/financial-group/) on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

For more information – If you have questions about our Business Continuity Plan, you can contact us at 1007 Electric Avenue, Vienna, VA 22180 or email [NFFG.Compliance@navyfederal.org](mailto:NFFG.Compliance@navyfederal.org).

37. **THE USA PATRIOT ACT.** The USA PATRIOT Act, signed by President Bush on October 26, 2001 is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes anti-money laundering requirements on brokerage firms and financial institutions.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act. Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide laundering activity at

\$1 trillion a year. Under the rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transactions and ensure compliance with the new laws.

As part of our required program, we may ask you to provide various identification documents or other information and we may perform identity verification prior to opening your account. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you.

38. **TAXPAYER CERTIFICATION.** Under penalties of perjury, you certify that you are not subject to backup withholding because (a) you are exempt from backup withholding, (b) you have not been notified by the Internal Revenue Service (IRS) that you are subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified you that you are no longer subject to backup withholding.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7)

**THE IRS DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATION REQUIRED TO AVOID BACKUP WITHHOLDING. YOU ARE AWARE THAT THE CUSTOMER AGREEMENT IN SECTION 15 CONTAINS AN AGREEMENT TO ARBITRATE DISPUTES AND THAT THE CUSTOMER AGREEMENT CONTAINS YOUR CONSENT TO THE EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE CREDIT UNION, ITS AFFILIATED ENTITIES, NFIS, AND ITS CLEARING FIRM.**

If you have any questions, you may contact us at 1007 Electric Avenue, Vienna, VA 22180 at 1-877-221-8108 or email [NFFG\\_Compliance@navyfederal.org](mailto:NFFG_Compliance@navyfederal.org).

39. **IRA and Roth IRA Withdrawal Requests.** You certify that you are authorized to receive payments from your IRA or Roth IRA and that all information provided by you in requesting any payment from your IRA or Roth IRA is true and accurate. You have received a copy of the Withholding Notice Information (included in this Customer Agreement). No tax advice has been given to you by the trustee or custodian. All decisions regarding any IRA or Roth IRA withdrawal are your own, and you expressly assume responsibility for any consequences that may arise from any IRA or Roth IRA withdrawal. You agree that the trustee or custodian is not responsible for any consequences that may arise from processing an IRA or Roth IRA withdrawal authorization.

**WITHHOLDING NOTICE INFORMATION** (Form W-4P/OMB No. 1545-0074)

**Basic Information About Withholding From Pensions and Annuities.** Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit sharing, stock bonus, annuity, and certain deferred compensation plans; from IRAs; and from commercial annuities.

**Caution:** There may be penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505, *Tax Withholding and Estimated Tax*. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using form W-4P.

**Purpose of Form W-4P.** Unless you elect otherwise, 10 percent federal income tax will be withheld from payments from individual retirement accounts (IRAs). You can use Form W-4P (or a substitute form, such as this form), provided by the trustee or custodian, to instruct your trustee or custodian to withhold no tax from your IRA payments or to withhold more than 10 percent. This substitute form should be used only for withdrawals from IRAs that are payable upon demand.

**Nonperiodic Payments.** Payments made from IRAs that are payable upon demand are treated as nonperiodic payments for federal income tax purposes. Generally, nonperiodic payments must have at least 10 percent income tax withheld. Your election will remain in effect for any subsequent withdrawal unless you change or revoke it.

**Payments Delivered Outside of the U.S.** A U.S. citizen or resident alien may not waive withholding on any withdrawal delivered outside of the U.S. or its possessions. Withdrawals by a nonresident alien generally are subject to a tax withholding rate of 30 percent. A reduced withholding rate may apply if there is a tax treaty between the nonresident alien's country of residence and the United States and if the nonresident alien submits Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfies the documentation requirements as provided under federal regulations. The Form W-8BEN must contain the foreign person's taxpayer identification number. For more information, Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Publication 519, *U.S. Tax Guide for Aliens*, are available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

**Revoking the Exemption From Withholding.** If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the trustee or custodian and check the appropriate box on that form.

**Statement of Income Tax Withheld From Your IRA.** By January 31 of next year, your trustee or custodian will provide a statement to you and to the IRS showing the total amount of your IRA distributions and the total federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the trustee or custodian.

**REPORTING INFORMATION APPLICABLE TO TRADITIONAL IRA AND SIMPLE IRA WITHDRAWALS**

You must supply all requested information for the withdrawal so the trustee or custodian can properly report the withdrawal. If you have any questions regarding a withdrawal, please consult a competent tax professional or refer to IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, for more information. This publication is available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

**WITHDRAWAL REASON**

IRA assets can be withdrawn at any time. Most IRA withdrawals are reported to the IRS. IRS rules specify the distribution code that must be used to report each withdrawal on IRS Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*

**Transfer to Another IRA.** Transfers are not reported on Form 1099-R. Transfers may be made by an IRA owner, beneficiary, or former spouse under a transfer due to a divorce. Inherited IRA assets may only be transferred to another inherited IRA, unless you are a spouse beneficiary.

**Normal Withdrawal (Age 59½ or older).** If you are age 59½ or older, withdrawals (including required minimum distributions) are reported on Form 1099-R using code 7.

**Early Withdrawal (Under age 59½).** If you are under age 59½, withdrawals for any reason not listed below are reported on Form 1099-R using code 1.

- **Disability.** If you are under age 59½ and disabled, withdrawals are reported on Form 1099-R using code 3.

- **Direct Conversion to a Roth IRA, Substantially Equal Periodic Payments, or IRS Levy.** If you are under age 59½, withdrawals due to direct conversions to a Roth IRA, substantially equal periodic payments, or IRS levy are reported on Form 1099-R using code 2. Certain distributions taken due to federally declared disasters also are reported using code 2. Please refer to the IRS website at [www.irs.gov](http://www.irs.gov) for more information and a listing of the disaster areas.

• **SIMPLE IRA Withdrawal in the First Two Years (*No IRS penalty exception*)**. If you are under age 59½ and less than two years have passed since the first contribution to your SIMPLE IRA, withdrawals are reported on Form 1099-R using code S.

**Death Withdrawal by a Beneficiary**. Withdrawals by beneficiaries following the death of the original IRA owner are reported on Form 1099-R using code 4. Use code G with code 4 for a surviving spouse beneficiary who elects a direct rollover to an eligible employer-sponsored retirement plan.

**Direct Rollover to an Eligible Employer-Sponsored Retirement Plan**. Direct rollovers to eligible employer-sponsored retirement plans (Internal Revenue Code Section (IRC Sec.) 401(a) (e.g., 401(k), profit sharing, money purchase pension plan), annuity plan (IRC Sec. 403(a)), tax-sheltered annuity plan (IRC Sec. 403(b)), or governmental deferred compensation plan (IRC Sec. 457(b)) are reported on Form 1099-R using code G.

**Prohibited Transaction**. Prohibited transactions as defined in IRC Sec. 4975(c) are reported on Form 1099-R using code 5.

**Excess Contribution Removed Before the Excess Removal Deadline**. Excess contributions removed before the excess removal deadline (your tax filing deadline, including extensions) must include the net income attributable to the excess.

- If your excess contribution was contributed and removed in the same year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using code 8. If you are under age 59½ also use code 1.

- If your excess contribution was contributed in one year and removed in the next year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using code P. If you are under age 59½ also use code 1.

**Excess Contribution Removed After the Excess Removal Deadline**. If your excess contribution is removed after the excess removal deadline, the withdrawal is reported on Form 1099-R using code 1 if you are under age 59½ or code 7 if you are age 59½ or older.

**SEP or SIMPLE IRA Excess Contribution Removed Under the EPCRS**. Excess SEP or SIMPLE IRA contributions removed under the Employee Plans Compliance Resolution System (EPCRS) generally are reported on Form 1099-R using code E.

**Recharacterization**. A Traditional IRA contribution including the net income attributable may be recharacterized as a Roth IRA contribution up until your tax filing deadline, including extensions.

- Recharacterizations that occur in the same year for which the contribution was made are reported on Form 1099-R using code N.

- Recharacterizations that occur after the year for which the contribution was made are reported on Form 1099-R using code R.

**Revocation of a Regular Contribution**. Revocations of regular contributions are reported on Form 1099-R using code 8. If you are under age 59½ and earnings on the contribution are distributed, also use code 1.

**Revocation of Rollover, Transfer, or SEP or SIMPLE IRA Contribution**. Revocations of rollovers, transfers, or SEP or SIMPLE IRA plan contributions are reported on Form 1099-R using code 1 if you are under age 59½ or code 7 if you are age 59½ or older.

## REPORTING INFORMATION APPLICABLE TO ROTH IRA WITHDRAWALS

You must supply all requested information for the withdrawal so the trustee or custodian can properly report the withdrawal. If you have any questions regarding a withdrawal, please consult a competent tax professional or refer to IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, for more information. This publication is available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

### WITHDRAWAL INFORMATION

Roth IRA assets can be withdrawn at any time. Most Roth IRA withdrawals are reported to the IRS. IRS rules specify the distribution code that must be used to report each withdrawal on IRS Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*

**Five-Year Period**. You have satisfied the five-year period for determining qualified withdrawals on January 1 of the fifth year following the year for which you made your first Roth IRA contribution, conversion, or rollover from an eligible employer-sponsored retirement plan.

**Qualified Withdrawal**. A qualified withdrawal is one where you have satisfied the five-year waiting period and the withdrawal is due to being age 59½ or older, death, or disability. Qualified withdrawals are reported on Form 1099-R using code Q.

### WITHDRAWAL REASON

**Transfer to Another Roth IRA**. Transfers are not reported on Form 1099-R. Transfers may be made by a Roth IRA owner, beneficiary, or former spouse under a transfer due to a divorce. Inherited IRA assets may only be transferred to another inherited IRA, unless you are a spouse beneficiary.

**Age 59½ or Older**. If you are age 59½ or older, withdrawals are reported on Form 1099-R using code T, unless they are qualified withdrawals.

**Under Age 59½**. If you are under age 59½, withdrawals for any reason not listed above are reported on Form 1099-R using code J.

- **Disability**. If you are under age 59½ and disabled, withdrawals are reported on Form 1099-R using code T, unless they are qualified withdrawals.

- **IRS Levy or Substantially Equal Periodic Payments** If you are under age 59½, withdrawals due to IRS levy or substantially equal periodic payments are reported on Form 1099-R using code 2. Certain distributions taken due to federally declared disasters also are reported using code 2. Please refer to the IRS website at [www.irs.gov](http://www.irs.gov) for more information and a listing of the disaster areas.

**Death Withdrawal by a Beneficiary.** Withdrawals by beneficiaries following the death of the original Roth IRA owner are reported on Form 1099-R using code T, unless they are qualified withdrawals.

**Prohibited Transaction.** Prohibited transactions as defined in Internal Revenue Code Section 4975(c) are reported on Form 1099-R using code 5.

**Excess Contribution Removed Before the Excess Removal Deadline.** Excess contributions removed before the excess removal deadline (your tax filing deadline, including extensions) must include the net income attributable to the excess.

- If your excess contribution was contributed and removed in the same year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using codes 8 and J.

- If your excess contribution was contributed in one year and removed in the next year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using codes P and J.

**Excess Contribution Removed After the Excess Removal Deadline.** If your excess contribution is removed after the excess removal deadline, the withdrawal is reported on Form 1099-R using code J if you are under age 59½, code T if you are age 59½ or older, or code Q if the distribution is a qualified withdrawal.

**Recharacterization.** A Roth IRA contribution including the net income attributable may be recharacterized as a Traditional IRA contribution up until your tax filing deadline, including extensions.

- Recharacterizations that occur in the same year for which the contribution was made are reported on Form 1099-R using code N.

- Recharacterizations that occur after the year for which the contribution was made are reported on Form 1099-R using code R.

**Revocations.** Revocations of regular contributions, conversions, rollovers, or transfers are reported on Form 1099-R using code J. A revocation of a regular contribution with earnings if you are under age 59½ is reported on Form 1099-R using codes J and 8.

- 40. Automated Customer Account Transfer Service (ACAT) of Retirement Accounts.** You hereby certify that you understand the rollover rules and conditions as they pertain to your retirement account and have met the requirements for making a rollover transaction of your retirement assets, including the eligibility of the assets to be rolled over. You assume full responsibility for any rollover transactions and will not hold us liable for any adverse consequences that may result. You hereby irrevocably designate this contribution in funds or other property as a rollover contribution.

## B. Automated Investing Advisory Program

### 1. INTRODUCTION AND DEFINITIONS.

#### (a) Navy Federal Investment Services, LLC. ("NFIS")

NFIS is registered as an investment advisor with the Securities and Exchange Commission. NFIS's principal business activity for the Automated Investing Advisory Program ("Advisory Program") is acting as an investment advisor firm. NFIS is a Limited Liability Company formed under the laws of the Commonwealth of Virginia. NFIS has the discretionary authority to hire and fire third-party portfolio managers, hereafter referred to as "Account Managers" in this Agreement, in which Account Managers are also referred to as "Sub-Advisors," and select portfolio options of the Account Manager based upon the suitability information disclosed by you. All accounts participating in the Advisory Program ("Program Accounts") will contain a money market position to provide you with sufficient cash to pay any distribution that you may request. You also grant NFIS and its Subadvisor, Member's Trust Company, limited discretionary authority to sell shares within your Program Account and transfer the proceeds to the default money market position. NFIS and/or the Account Manager reserve the right, in their discretion, to determine which shares and how many shares to sell. You should be aware that such sales may have tax consequences. Other than the limited discretionary authority to hire/fire Account Managers, select suitable portfolio options offered by an Account Manager, liquidate assets in order to cover the advisory fees or to cover distributions you requested, NFIS will not have discretionary investment authority for assets held in the Program Accounts.

For the NFIS Advisory Program, NFIS is responsible for (1) conducting initial and ongoing due diligence of Account Managers; (2) evaluating your suitability for the Program Account; (3) confirming with you the accuracy and completeness of the information contained in your Automated Investing account; and (4) compliance with applicable regulations regarding marketing, sales and disclosures.

#### (b) Account Manager

NFIS has designated Members Trust Company (MTC) as its Account Manager. Additionally, NFIS has discretionary authority to hire or fire Account Manager(s) on your behalf without first consulting with you. The Account Manager will act as the portfolio manager and is responsible for investment selection within your Program Account. The Account Manager will have the full authority to supervise and direct the investment of monies in your Program Account without prior consultation with you. The Account Manager will have unlimited investment discretion with respect to any changes to investments in your Program Account, within the parameters of the selected Portfolio Option. This includes discretion to adjust asset allocations and replace or reduce investment holdings in your Program

Account. All transactions in your Program Accounts will be initiated by the Account Manager.

Subject to the limitations described in your responses to the questionnaire or other appropriate suitability analysis (including any reasonable restrictions you place on Program Account investments) the Account Manager will have full authority to supervise and direct the investment of the monies contributed by you to the Program Account without prior consultation, except where otherwise noted below (see section 2).

**(c) DriveWealth LLC ("DriveWealth")**

DriveWealth, an unaffiliated third party, is the custodian of accounts, and will be responsible in all respects for custody of your funds and securities, transaction execution and settlement, position valuation, and other clearing function roles.

2. **INVESTMENT OBJECTIVES AND TRADING AUTHORIZATION.** It is understood that the Portfolio Option selected is based upon a review of your responses to the questionnaire provided at account creation and your profile. You understand that it is your responsibility to notify NFIS of any material changes to your financial situation when they occur. You may notify NFIS by logging into your account and updating your profile and investment preferences. You understand that at least annually NFIS will contact you to determine whether there have been any changes in your financial situation or investment objectives.

Subject to the limitations requested by you and the Portfolio Option elected by you or NFIS, the Account Manager will have full authority to supervise and direct the investment of the monies contributed by you to the Program Account without prior consultation with you.

You represent and warrant that (i) except in the case of joint accounts discussed below, you are the sole beneficial owner of all of the assets in the Program Account and (ii) neither you personally nor the Program Account nor the assets therein are affected by any lien, court order, agreement or other restriction affecting the management of the Program Account which has not been disclosed to NFIS. You agree to promptly notify NFIS in the event that any lien,

court order or agreement described in subclause (ii) above arises during the term of this Agreement. You represent that you are authorized and empowered to enter into this Agreement. You understand that the Account Manager of the Program Account will be reasonably available for consultation.

3. **PROXIES, REPORTS, STATEMENTS AND TAX CONSIDERATIONS.** You understand that primary trade confirmations, account statements, annual reports, proxies and prospectuses, will be available online to you from DriveWealth or its agents.

You understand that it is your responsibility to review all account statements for the Program Account. Should you identify any potential inaccuracy, discrepancy, error, or delay, or if you have any questions regarding the information reported on your account statements, you understand that it is your responsibility to immediately report the matter to NFIS. You understand that you must report any such noted inaccuracy, discrepancy, error, or delay within 120 days of its occurrence so that any necessary remedial action may reasonably be taken.

You recognize that dividends, capital gains, transfer and sales of securities may create taxable events. NFIS, DriveWealth, and the Account Manager do not offer legal or tax advice and it is Client's responsibility to consult with legal and tax advisors as needed.

You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in the account and that neither NFIS nor DriveWealth when acting in its capacity as platform provider will have authority to vote or act for you.

4. **TERMINATION AND ACCESS TO MONEY IN THE PROGRAM ACCOUNT.** This Agreement and your participation in the Program Account may be terminated by any Party at any time, for any reason upon written notice delivered to the other Parties. You understand that NFIS and the Account Manager will not have access to the monies in your Program Account except for the purposes of investment as noted above. Only you may withdraw funds from the Program Account.

You may choose to withdraw any amount from the Program Account in cash or in property (in-kind) at any time.

Should the Program Account be terminated by any Party at any time and for any reason, the date of termination will be the date upon which DriveWealth receives notice of the termination. Any unpaid fees as of that date will be due and payable by you. DriveWealth has 30 days from the date of termination to deduct fees from your Program Account.

5. **FEE SCHEDULE.** Fees for each account are pre-set, are not generally negotiable and are billed and collected monthly in advance at the rates set forth in the fee schedule provided to you online. The total subscription fee charged to you will cover execution costs; however, the subscription fee does not include all fees that you could pay. The initial subscription fee for the first calendar month (or part thereof) in which you participate in the Program will be waived. Thereafter, the subscription fee will be billed monthly in advance.

Notwithstanding this, NFIS and DriveWealth may under certain circumstances negotiate special terms, including but not limited to the agreement to bill an alternative account as noted earlier in this Agreement, based on our mutual agreement.

You hereby authorize that all fees will be automatically deducted from the linked billing account or another specifically designated account.

The cost to you for the services provided in the Program Account may be more or less than you would pay for the Account Manager, NFIS and DriveWealth, should you purchase the services separately, or from other providers of the same or similar services. The subscription fee is a flat fee for each account you have on the platform. You are responsible for understanding and being aware of the fees and fee structure in your account. Depending on your account balance, trading activity, and other parameters an Assets Under Management (AUM) or per trade fee may be more or less costly than our subscription-based fee.

6. **JOINT ACCOUNTS.** If this is a joint account, this Program Account will be considered a joint account with rights of survivorship unless otherwise specified. The services provided to you will be based upon the joint goals communicated by you, and each account holder jointly and severally agrees that any joint account holder has authority on behalf of the Program Account to:

- (1) Receive money, securities and property of every kind and dispose of the same on behalf of the Program Account;
- (2) Make agreements relating to any of the foregoing matters and to terminate, modify or waive any of the provisions of the Agreement on behalf of the Program Account; and
- (3) Deal with NFIS, DriveWealth, and the Account Manager as fully and completely as if Client alone had interest

in the Program Account and without notice to the other joint account holder(s). NFIS will not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the joint account holders.

At its discretion, NFIS reserves the right to require written instructions from all account holders.

7. **NON-EXCLUSIVE AGREEMENT.** You understand that NFIS, DriveWealth, and any Account Managers perform services similar to those that will be provided to you under the terms and conditions of the Program Account, as well as other types of investment related services, for other clients.

You acknowledge that NFIS, DriveWealth, and Account Managers may take actions or give advice that may differ from advice you receive from registered representatives or in the timing and nature of the action taken with respect to your Program Account. Neither NFIS, DriveWealth, any Account Manager, nor anyone associated with these entities will have any obligation to make or refrain from making recommendations, purchases, sales, or transfers of any investment which may be purchased or sold for any other account or for the benefit of anyone associated with them.

You understand that transactions in any specific investment may be executed at different times and prices for different client accounts and that some orders may be "bundled" in an effort to facilitate potentially better executions or processing.

You further understand that any Account Manager, NFIS, and DriveWealth may utilize different fee schedules as they relate to the Program Account. Therefore, the costs of obtaining services similar to those included herein may be more or less than those charged to other clients in the same, similar or in dissimilar programs.

8. **LIMITATIONS OF LIABILITY AND SETTLEMENT OF DISPUTES.** Neither the Account Manager, NFIS, and/or DriveWealth, nor any of their officers, directors, employees, affiliates, or others associated with the program will be liable for any loss incurred with respect to your Program Account, except where such loss directly results from such party's gross negligence or willful misconduct. However, nothing in this Agreement will be deemed a waiver of any right that you may have under any applicable law, rule or regulation governing the Program Account. You also acknowledge and understand that there is no guarantee of performance or investment results.

Any controversy between NFIS and/or DriveWealth and you arising out of or relating to any product, services, or other transactions provided under this Agreement or the breach thereof, will be settled by arbitration as set forth in Part A, Section 17.

9. **CONFLICTS OF INTEREST.** NFIS and DriveWealth will make every attempt to obtain the best execution possible. Orders for you may be aggregated with transactions for other clients to improve the quality of execution.

Your Program Account is charged a monthly fee for the asset management services. The fee for asset management services is referred to as the subscription fee. At certain times, your Program Account may also be assessed wire fee charges, annual IRA maintenance fees, and other miscellaneous fees from the custodian.

Although you will not be charged a commission for transactions in Exchange-Traded Funds (ETFs), you should be aware that certain ETFs have internal expenses. The amount of an ETF's expenses is described in the Prospectus under fund expenses.

No agency cross transaction (as such term is defined in Rule 206(3)-2(b) under the Investment Advisers Act of 1940) or principal trades for you will be affected by NFIS. NFIS does not receive compensation for directing orders in equity securities to particular broker/dealers or market centers for execution.

Securities held in your account that are in "street name" or are being held by a securities depository, are commingled with the same securities being held for other clients of NFIS. Client ownership of these securities is reflected in NFIS's records. You have the right at any time to require delivery of any such securities which are fully paid for.

Members Trust Company is organized as a national trust company that is owned by a consortium of credit unions and related organizations located throughout the U.S. Members Trust Company provides fee-based investment management and trust services. The service offerings of Members Trust Company include managed ETF portfolios. Navy Federal Financial Group (NFFG), the parent company of NFIS owns a portion (currently less than 10%) of Members Trust Company, and the COO of NFIS serves as a member of the Board of Directors of Members Trust Company. The relationship between NFFG, NFIS and Members Trust Company creates a material conflict of interest. NFIS addresses that conflict of interest through due diligence reviews, financial audits, and an

account review process to verify Members Trust Company fits the client's investment needs. Members Trust Company uses a conservative investment philosophy. In making portfolio decisions, Members Trust Company maintains a disciplined approach that is intended to vigilantly manage downside risks. Members Trust Company provides active management utilizing passive ETFs to gain broad-based market exposures thereby eliminating company specific risk. ETFs provide portfolio managers greater flexibility and efficiency in maintaining and readjusting portfolio allocations across asset classes than individual bonds, stocks or mutual funds. Other benefits of ETFs can include lower costs and increased liquidity and transparency. Portfolio Options offered by Members Trust Company for NFIS Clients are based on long term risk and return characteristics while incorporating Modern Portfolio Theory along with other portfolio design tools.

- 10. VALUATION.** In computing the market value of any security or other investment in the account, each security listed on a national securities exchange will be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security or investment in the account will be valued in a manner determined in good faith to reflect fair market value.

For any assets purchased within the account, the cost basis is the actual purchase price including transaction charges. For any assets transferred into the account, original purchase price is used as the cost basis to the extent such information was submitted by Client to NFIS. It is your responsibility to advise NFIS immediately if the cost basis information is portrayed inaccurately.

- 11. AUTHORIZATION TO DEBIT ACCOUNT.** You hereby authorize NFIS or its designated service provider to debit all fees payable pursuant to the fee schedule directly from your linked billing account. It is agreed by you and NFIS that the Subscription Fee will be payable, first, from available funds in the linked billing account, and second, from the liquidation or withdrawal (which you hereby authorize) by NFIS of your shares of any money market fund or balances in any money market account.

You understand that portions of the fee are payable to Parties to this Agreement, including DriveWealth, any Account Manager, and NFIS, and also that DriveWealth may earn certain fees and costs attributable to the custodial and clearance services rendered. In any event, the distribution of fees to the Parties will not impact the sum total subscription fee charged to Program Account. Such fee will be clearly identified to you.

You further understand that the Program Subscription fees are separate from the expenses that may be charged to shareholders of ETFs in which you may invest and that a complete explanation of these expenses is contained in each ETF's prospectus. Fees and expenses separately charged to you by ETF products held in your Program Account will be separately disclosed in the prospectuses and other disclosure documents, copies of which will be furnished to you upon request. You understand that you are encouraged to read the fund prospectus, and to inquire about the specific nature and amount of these fees should you not clearly understand the prospectus.

You understand that the Program Fees charged for the services provided under this Agreement are separate from, and in addition to, any compensation that NFIS, DriveWealth, and any Account Manager may receive from other existing services provided to you or from the mutual funds included in your Program Account or in banking, brokerage, fiduciary or other capacities. Furthermore, you consent to the payment of the Program Fees without reduction or offset for any compensation paid for other existing services to you. You also direct that the compensation paid to the Parties for services in such other capacities not be reduced or offset by the Program Fees. You authorize each person or firm providing services under this Agreement to deal with its affiliates and its respective successors and assigns as if such person or firm were affiliated with same and to the full extent permitted by applicable law. NFIS and DriveWealth may, in their sole discretion and to the extent permitted by applicable law, pay all or a portion of the Program Fees to third parties involved in providing service with respect to Client's Program Account.

You understand that no party will be compensated based on a share of capital gains upon or capital appreciation of funds or any portion of funds or other investments in the Program Account.

- 12. Amendments.** All material amendments to this Agreement must be made in writing and signed by both parties. NFIS and DriveWealth may make non-material amendments through a written 30-day notice provided to Client.